



Sales and Use Tax on Veterinarians and Veterinary Clinics

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Definitions

Drugs, medicinal drugs, and veterinary prescription drugs – means those substances or preparations commonly known as “prescription” or “legend” drugs that are required by federal or state law to be dispensed only by a prescription. The term “veterinary prescription drugs” means those drugs intended solely for veterinary use for which the label of the drug bears the statement: **“Caution: Federal law restricts this drug to sale by or on the order of a licensed veterinarian.”**

Livestock – includes all animals of the equine, bovine, or swine class, including:

- Cattle
- Goats
- Hogs
- Horses
- Mules
- Ostriches
- Sheep
- Other grazing animals raised for commercial purchases

“Livestock” also includes all aquaculture products raised for commercial purposes. See Tax Information Publication (TIP) 15A01-09 issued on June 30, 2015.

Poultry – includes all domesticated birds that serve as a source of food, eggs, or meat.

Therapeutic veterinary diets – means those animal foods that are specifically formulated to aid in the management of illness and disease of a diagnosed health disorder in an animal and are only available from a licensed veterinarian.

Items Sold by Veterinarians

Veterinarians and veterinary clinics that sell, lease, or rent items of tangible personal property, such as the following items are subject to sales tax and discretionary sales surtax:

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| • Animal foods that are not specifically exempt | • Feeders |
| • Bedding | • Gates |
| • Bowls | • Houses |
| • Cages | • Kennels |
| • Chains | • Leads |
| • Clothing | • Leashes |
| • Collars | • Pet Carriers |
| • Crates | • Soaps |
| • Detergents | • Tie-outs |
| • Doors | • Toys |

Substances possessing curative or remedial properties that are not required by federal or state law to be dispensed only by a prescription are subject to tax.

Animal Foods

Sales of the following animal foods are exempt from sales and use tax:

- Therapeutic veterinary diets.
- Animal foods that are required by state or federal law to be dispensed only by a prescription are exempt. This applies to animal foods that are required to carry the following label:
Caution: Federal law restricts this drug to sale by or on the order of a licensed veterinarian.
- Feeds for poultry, ostriches, livestock, racehorses, and dairy cows.
- Food for guide dogs when purchaser provides a *Consumer’s Certificate of Exemption for the Blind* (Form DR-152) issued by the Department of Revenue to the selling dealer.

Items Purchased by Veterinarians

Florida sales tax applies to taxable supplies or items purchased exempt from tax and then used by veterinarians and veterinary clinics in providing their professional services. Some examples of common taxable items used by veterinarians are:

- disposable medical restraint collars and muzzles
- identification chips
- rubber gloves

Laboratory supplies used in making diagnoses, such as diagnostic kits, chemical compounds, and x-ray films and developing solutions are taxable. Instruments and equipment purchased by a veterinarian or veterinary clinic for use in the business are also taxable. Items initially purchased exempt from tax for resale to customers (such as pet products and supplies) that are used in the business are subject to Florida use tax.

Items purchased for use in grooming or boarding animals are subject to tax.

For example:

- Brushes
- Cat or dog food (unless specifically exempt)
- Clippers
- Colognes
- Combs
- Deodorizers
- Detergents
- Nail care items
- Shears
- Soaps

Disinfectants used to clean kennels, cages, equipment, or other items used for grooming or boarding animals are subject to tax.

Out-of-state Purchases

When taxable items or services are purchased through the internet, a mail-order catalog company, or purchased in another state and then shipped into Florida, Florida use tax is due when the sales tax paid to another state was less than Florida's sales tax and surtax rate.

Lease or Rental of Commercial Real Property

Florida sales tax is due on the total rent paid for the right to use or occupy commercial real property. For more information, see brochure GT-800016, *Sales and Use Tax on the Rental, Lease, or License to Use Commercial Real Property*.

Exemptions

Sales tax does not apply to the following:

- Professional services provided by veterinarians.
- Boarding charges for animals.
- Drugs, medicinal drugs, and veterinary prescription drugs sold or used in connection with the medical treatment of animals.
- Antiseptics, absorbent cotton, gauze for bandages, lotions, hypodermic needles and syringes, vitamins, and worm remedies purchased by veterinarians.
- Germicides used directly on bodies of animals.
- X-ray opaques (radiopaques) such as opaque dyes and barium sulfate.
- Purchases of medical products, supplies, or devices by a licensed veterinarian that must be dispensed under federal or state law only by the prescription or order of a licensed practitioner and are intended for a single use.
- Purchases of medical products, supplies, or devices by a licensed veterinarian used in the cure, mitigation, alleviation, prevention, or treatment of injury, disease, or incapacity of an animal that are temporarily or permanently incorporated into an animal.
- Commonly recognized substances possessing curative or remedial properties that are ordered and dispensed as treatment for a diagnosed health disorder of an animal.

Examples: Transdermal medications, sprays, or powders that prevent or treat flea or tick infestation when purchased, ordered, and dispensed by a licensed veterinarian.

See Rule 12A-1.0215, Florida Administrative Code (F.A.C.), Veterinary Sales and Services.

How Do I Register to Collect Sales Tax?

Veterinarians and veterinary clinics that make retail sales of taxable items must register with the Department. You can register to collect and report tax through our website at floridarevenue.com/taxes/registration. The site will guide you through an application interview that will help you determine your tax obligations. If you do not have internet access, you can complete a paper *Florida Business Tax Application* (Form DR-1).

After we approve your registration, you will receive a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13). We will mail paper tax returns to you unless you are filing electronically. The *Florida Annual Resale Certificate for Sales Tax* is used for purchases exempt from tax you intend to resell. If the goods bought for resale are later used (not resold), you must report and pay use tax and surtax on those items. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*. (See brochure GT-800060, *Florida Annual Resale Certificate for Sales Tax*.)

Proper Collection of Tax

Collecting the right amount of tax is important because mistakes will cost you money. Florida's general state sales tax rate is 6%. Additionally, most Florida counties also have a local option discretionary sales surtax. Surtax rates are published in the Discretionary Sales Surtax Information form (DR-15DSS) each year and available online at floridarevenue.com/forms under the Discretionary Sales Surtax section.

$$\text{[State Sales and Use Tax Rate]} + \text{[Surtax Rate]} = \text{[Total Tax Rate]}$$

Dealers must calculate the total tax due by multiplying the taxable sale amount by the total tax rate to determine the amount of tax due. Dealers must calculate the total tax due on each sale. The tax must be shown separately on each invoice and may be calculated on either the combined taxable amount or the individual taxable amounts on an invoice.

$$\text{[Taxable Sale Amount]} \times \text{[Total Tax Rate]} = \text{[Tax Due on Sale]}$$

The tax computation must be carried to the third decimal place and rounded up to the next whole cent when the third decimal place is greater than 4.

Example: A customer purchases one taxable item and takes delivery in a county that does not impose a discretionary sales surtax. The dealer's taxable selling price for the item is \$50.45. To calculate the tax due, multiply the taxable selling price by the tax rate of 6% and carry to the third decimal place.

$$\$50.45 \times 6\% \text{ (or } .06) = \$3.027$$

Since the third decimal place is greater than 4, the tax due must be rounded up to the next whole cent. The total tax due on the sale is \$3.03.

Filing and Paying Tax

You can file returns and pay sales and use tax, plus any applicable discretionary sales surtax, using the Department's online file and pay website at floridarevenue.com/taxes/filepay or you may purchase software from a software vendor. A list of software vendors is available at floridarevenue.com/taxes/eservices.

Returns and payments are due on the 1st and late after the 20th day of the month following each reporting period, whether you are filing monthly, quarterly, twice a year, or yearly. If the 20th falls on a Saturday, Sunday, or state or federal holiday:

- **returns** are timely if they are filed electronically (without payment), postmarked, or delivered in person on the first business day after the 20th
- **payments** are timely if they are postmarked or delivered in person on the first business day after the 20th

Florida law requires you to file a tax return even when NO sales and use tax is due.

When you electronically pay only, or you electronically file and pay at the same time, you must initiate your electronic payment and receive a confirmation number no later than 5 p.m. ET on the business day prior to the 20th. Keep the confirmation number in your records. The *Florida eServices Calendar of*

Electronic Payment Deadlines (Form DR-659) provides a list of deadlines for initiating electronic payments on time and is available online at floridarevenue.com/forms under the eServices section.

Penalty and Interest

Penalty - If you file your return or pay tax late, a late penalty of 10 percent of the amount of tax owed, but not less than \$50, may be charged. The \$50 minimum penalty applies even if no tax is due. Penalty will also be charged if your return is incomplete.

Interest - A floating rate of interest applies to underpayments and late payments of tax. Current and prior period interest rates are posted on our website.

Updating Your Business Information

The quickest way to notify the Department of changes to your account, such as updates to your name, mailing address, business location, or to temporarily suspend or resume business operations, is online at floridarevenue.com/taxes/updateaccount.

If you close or sell your business, **you must file a final return and pay all taxes due within 15 days** after closing or selling the business. Your final return must cover the period from your most recent return filing to the closing date.

Learn More and Stay Informed

Visit the Department's Taxpayer Education webpage at floridarevenue.com/taxes/education for additional information and educational webinars. The Taxpayer Education page has sales and use tax tutorials on how to complete your tax return, calculate discretionary sales surtax, electronically file and remit your taxes, and pay estimated tax.

Reference Material

Brochures – Download these brochures from floridarevenue.com/forms:

- *Discretionary Sales Surtax* (GT-800019)
- *Florida Annual Resale Certificate for Sales Tax* (GT-800060)

Industry-specific brochures are available online. Visit floridarevenue.com/forms and select the Sales and Use Tax section. At the bottom of that section, you will find "Brochures, Guides, and Other Information."

Contact Us

Information and tutorials are available online at floridarevenue.com/taxes/education.

Tax forms and publications are available online at floridarevenue.com/forms.

To speak with a Department of Revenue representative, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

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