



TIP

Tax Information Publication

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Sales Tax Exemption Period on New ENERGY STAR Appliances – July 1, 2023 Through June 30, 2024

Florida's sales tax exemption period on new ENERGY STAR appliances for noncommercial use begins Saturday, July 1, 2023, and ends Sunday, June 30, 2024. During this sales tax exemption period, tax is not due on the retail sale of eligible new ENERGY STAR appliances purchased for noncommercial use. The rental of eligible new ENERGY STAR appliances **does not** qualify for the exemption.

“ENERGY STAR appliance” means one of the listed products below if designated by the U.S. Environmental Protection Agency and the U.S. Department of Energy as meeting or exceeding each agency's requirements under the ENERGY STAR program and if affixed with an ENERGY STAR label.

The sales tax exemption does not apply when the new ENERGY STAR appliance is purchased for trade, business, or resale.

Reference: Section 47, Chapter 2023-157, Laws of Florida

Eligible Items

- A clothes dryer with a sales price of **\$1,500 or less**
 - A refrigerator or combination refrigerator/freezer with a sales price of **\$4,500 or less**
 - A washing machine with a sales price of **\$1,500 or less**
 - A water heater with a sales price of **\$1,500 or less**
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Reporting Sales

Florida dealers should report the sales of eligible items sold during the sales tax exemption period as exempt sales on their sales tax returns.

Buy One, Get One for a Reduced Price

The total price of items advertised as “buy one, get one for a reduced price” cannot be averaged in order for both items to qualify for the exemption.

Gift Cards

The sale of a gift card is not taxable. A gift card does not reduce the sales price of an item. Eligible items purchased during the exemption period using a gift card will qualify for the exemption, regardless of when the gift card was purchased. Eligible items purchased after the exemption period using a gift card are taxable, even if the gift card was purchased during the exemption period.

Coupons, Discounts, and Rebates

The sales price of an item includes all consideration received by the retailer for that item. It is not limited to the amount paid by a customer.

Manufacturer's coupons, discounts, and rebates do not reduce the sales price of an item, because the retailer is reimbursed for the amount of any discount provided to a customer. Therefore, the amount of the reimbursement is included in the taxable sales price of an item.

Store coupons, discounts, and rebates offered by the retail seller reduce the price of an item because they reduce the total amount received by the retail seller for the item.

Remote Sales

Eligible items purchased through a marketplace provider or from a remote seller are exempt from Florida sales tax when the order is accepted by the marketplace provider or remote seller during the sales tax exemption period for immediate shipment, even if delivery is made after the sales tax exemption period.

An order is accepted by the company when action has been taken to fill the order for immediate shipment. Actions to fill an order include assigning an "order number" to a telephone order, confirming an internet order by an email to the customer, or placing a date received on an order received by mail.

An order is considered to be for immediate shipment when delayed shipment is not requested by the customer. An order is for immediate shipment even if the shipment may be delayed because of a backlog of orders or stock is currently unavailable or on back order.

Returns

When a customer returns an eligible item purchased during the sales tax exemption period and requests a refund or credit of tax:

- The customer must produce a receipt or invoice showing tax was charged and paid on the original purchase of the item; or
- The retailer must have sufficient documentation to show tax was paid on the original purchase of the item.

Rain Checks

Eligible items purchased during the sales tax exemption period using a rain check will qualify for the exemption regardless of when the rain check was issued. However, issuance of a rain check during the sales tax exemption period will not qualify an eligible item for the exemption if the item is purchased after the sales tax exemption period.

Exchanging a Purchase After the Sales Tax Exemption Period

When a customer purchases an eligible item during the sales tax exemption period, then later exchanges the item for the same item (e.g., different size or different color), no tax will be due even if the exchange is made after the sales tax exemption period.

When a customer purchases an eligible item during the sales tax exemption period, then later returns the item and receives credit toward the purchase of an item that did not qualify for the exemption, the new item purchased is subject to sales tax.

Layaway Sales

A layaway sale is a transaction in which merchandise is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time, and receives the merchandise at the end of the payment period.

Eligible items sold as layaway sales qualify for the exemption when the customer:

- Accepts delivery of the merchandise during the sales tax exemption period; or
- Puts an eligible item on layaway, even if final payment is made after the sales tax exemption period.

Installation Charges

When an eligible ENERGY-STAR appliance does not become a part of real property and remains tangible personal property when installed, any separately itemized charge for the installation of the product is a part of the sales price of the product and is exempt when the total sales price of the eligible ENERGY STAR appliance does not exceed the applicable threshold.

Service Warranties

The taxation of any charges for a service warranty contract depends on the taxability of the product being sold. If the retail sale of an item is exempt from tax, the charge for a service warranty sold with the item is exempt.

Shipping and Handling

When separately stated shipping charges are part of the sales price, as provided in Rule 12A-1.045, F.A.C., and both taxable and exempt items are listed on a sales invoice or receipt, the shipping charges must be proportionately allocated to the charge for each item to determine the total sales price of the item. The charge for each item is divided by the total charge of all the items ordered to obtain the percentage of charge that each item bears to the total order. The amount of the shipping charge applicable to each item is calculated by multiplying the total shipping charge by the percentage of cost for each item. If the item sold is exempt, the associated shipping charge is also exempt.

Panama City and Panama City Beach Dealers Only: Panama City and Panama City Beach impose a 1% merchant's license fee or tax on retailers. The merchant's license fee is included in the sales price of each item. When the fee is separately stated, and both taxable and exempt items are listed on a sales invoice or receipt, the merchant's license fee must be allocated to the charge for each item on the invoice. If the item is exempt, the associated merchant's license fee is exempt.

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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