



# Florida's Discretionary Sales Surtax

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**How it applies to transactions subject to sales and use tax, including sales of motor vehicles, mobile homes, airplanes, and boats.**

## What Is Discretionary Sales Surtax?

Discretionary sales surtax, also called a county tax, is imposed by most Florida counties and applies to most transactions subject to sales tax. The selling dealer must collect the surtax in addition to Florida's general sales tax of 6 percent. The discretionary sales surtax is based on the rate in the county where you deliver taxable goods or services. A few counties do not impose the surtax.

The Department of Revenue distributes the discretionary sales surtax collected back to the counties that levy the surtax. Counties use these funds to help pay for local authorized projects.

## Who Collects the Surtax?

Registered sales tax dealers, including out-of-state dealers, who sell and deliver taxable goods or services within a county with the discretionary sales surtax must collect the tax from their customers and pay the surtax to the Department. This applies to all selling dealers who make sales or deliveries into a taxing county, no matter where the selling dealer is located.

Selling dealers do not collect surtax when the sale or delivery of taxable goods or services is in or into a county that does not impose a surtax.

## When Is a Transaction Subject to Surtax?

You must collect discretionary sales surtax when the transaction occurs in, or delivery is into, a county that imposes a surtax and the sale is subject to sales and use tax. Use the chart to help you determine when to collect discretionary sales surtax.

<b>When and at What Rate to Collect Discretionary Sales Surtax (Local Option County Tax) on Taxable Sales</b>				
If a selling dealer located in any Florida county	with a discretionary surtax	sells & delivers	into the county where the selling dealer is located	surtax is collected at the county rate where the delivery is made
If a selling dealer located in any Florida county	with or without a discretionary surtax	sells & delivers	into counties with different discretionary surtax rates	surtax is collected at the county rate where the delivery is made
If a selling dealer located in any Florida county	with or without a discretionary surtax	sells & delivers	into counties without a discretionary surtax	surtax is not collected
If an out-of-state selling dealer		sells & delivers	into a Florida county with a discretionary surtax	surtax is collected at the county rate where the delivery is made
If an out-of-state selling dealer		sells & delivers	into a Florida county without a discretionary surtax	surtax is not collected

## How Do I Determine When a Transaction Occurs in a County Imposing a Surtax?

Discretionary sales surtax applies to transactions when:

- The selling dealer delivers taxable goods or taxable service in or into a county with a surtax.
- The event for which an admission is charged is located in a county with a surtax. (Tax is due at the rate in the county where the event takes place.)
- The consumer of electric power or energy is located in a county with a surtax.
- The sale of prepaid calling arrangements occurs in a county with a surtax.
- The location or delivery of tangible personal property covered by a service warranty is within a surtax county. The person receiving consideration for the issuance of a service warranty from the agreement holder must collect surtax at the rate imposed by that county.
- The commercial real property that is leased or rented, or upon which a license for use is granted, is in a county with a surtax.
- The rental of living or sleeping accommodations (transient rentals) occurs in a county with a surtax.
- A registered dealer owing use tax on purchases or leases is in a county with a surtax.

## What Are the Discretionary Sales Surtax Rates?

The discretionary sales surtax rate depends on the county. Rates currently range from .25 percent to 1.5 percent. A few counties do not impose the surtax.

A list of Florida counties, their discretionary sales surtax rates, and appropriate dates (Form DR-15DSS) is posted on our Internet site at [www.myflorida.com/dor](http://www.myflorida.com/dor). The form is updated every year.

Discretionary sales surtax rates can change. New rates become effective January 1st of each year; although expiration dates vary, most surtax rates expire on December 31st. Periodically you should check the expiration dates that we list on Form DR-15DSS to ensure that you are using the correct rates.

## Is There a Limit on the Amount of Tax Charged?

In many cases there is a limit to the amount of tax charged. Discretionary sales surtax applies to the first \$5,000 of the sales amount on the sale, use, lease, rental, or license to use any item of tangible personal property. Tangible personal property is personal property that you can see, weigh, measure, or touch or is in any manner perceptible to the senses, including electric power or energy.

**Example:** \$7,000 dining room set delivered into a county with a 1% discretionary sales surtax.

$$\begin{array}{rcl} \$7,000 \times 6\% & = & \$420 \\ \$5,000 \times 1\% & = & \$ 50 \\ \text{Total Tax Due} & = & \$470 \end{array}$$

When a dealer sells multiple items of tangible personal property to the same purchaser at the same time, the \$5,000 limit applies when the sale or purchase is a single sale that meets **at least one** of these conditions:

- The sale consists of multiple quantities of a single item that the dealer normally sells in multiple quantities in the course of business or that the purchaser normally buys in the course of business.

- The items normally sell as a set or a unit and the use of each item depends on the set being complete. You may not combine items that **are not** normally sold as a set or unit to qualify for the \$5,000 limit.
- The items normally sell in a single sale for the purchaser to use in its normal business practice as an integrated unit.
- The items are component parts that have no use unless assembled with each other to form a working unit or part of a working unit.

The \$5,000 limit does not apply to the following types of transactions. Discretionary sales surtax is due on the full amount.

- Sales of admissions.
- Sales and uses of services.
- Sales of service warranties.
- Charges for prepaid calling arrangements.
- Leases, rentals, and licenses to use real property or transient accommodations.
- Leases or rentals of parking or storage space for motor vehicles in parking lots or garages.
- Docking or storage space in boat docks and marinas.
- Tie-down or storage space for aircraft.

## **How Does the Surtax Apply to Motor Vehicles, Mobile Homes, Airplanes, and Boats?**

The discretionary sales surtax applies only to the first \$5,000 of the total sales price of any motor vehicle, mobile home, aircraft, or boat. The surtax applies as follows:

- **Motor vehicles and mobile homes** – The dealer must collect surtax when the residence address of the purchaser on the title or registration is located within a surtax county.
- **Aircraft and boats** – The dealer must collect surtax when delivery of the aircraft or boat is to a location within a surtax county.

## **Sales Tax Paid to Another State**

We will allow a credit for sales tax paid to another state or U.S. territory, if proof of payment is given. The credit will be the amount paid to the other state, up to the amount due to Florida and the county of registration. We will not allow a credit for any taxes paid to a foreign country.

## **How and When to File**

Selling dealers pay discretionary sales surtax along with sales and use tax on the *Sales and Use Tax Return* (Form DR-15 or DR-15EZ). Returns and payments are due on the 1st and late after the 20th day of the month after the date of sale, no matter when the customer makes payment. For example, if the sale takes place on the 1st of one month, then tax is due the 1st of the next month.

Returns and payments postmarked after the 20th are late. However, if the 20th falls on a Saturday, Sunday, or federal or state holiday, they will not be late if postmarked on the first business day after the 20th.

## Penalty and Interest

If returns and payments are not postmarked or hand-delivered on or before the due date, you will owe a late **penalty** of 10 percent of the amount of tax due. Penalty also applies if you submit the return and/or payment on time but incomplete. You will owe a minimum penalty of \$50 on late returns, even if no tax is due.

A floating rate of **interest** applies to underpayments and late payments of tax. We update the rate January 1 and July 1 of each year by using the formula established in section 213.235, Florida Statutes. Current and prior period interest rates are posted on our web site.

## Reference Material

**Tax Laws** – Our online Tax Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. Search the law library for Rule 12A-15, Florida Administrative Code, *Discretionary Sales Surtax*.

**Brochures** – You can download industry-specific brochures from our “Forms and Publications” page.

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## For Information and Forms

Information and forms are available on our Internet site at: [www.myflorida.com/dor](http://www.myflorida.com/dor)

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a written reply to tax questions, write:

Taxpayer Services  
Florida Department of Revenue  
5050 W Tennessee St Bldg L  
Tallahassee FL 32399-0112

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