



Communications Services Tax

Communications services tax applies to telecommunications, cable, direct-to-home satellite, and related services. The tax is comprised of two parts: the Florida communications services tax and the local communications services tax.

What is Taxable?

Communications services include telecommunications, cable, direct-to-home satellite, and related services. This definition includes voice, data, audio, video, or any other information or signals, including cable services, transmitted by any medium.

Examples of services subject to the tax:

- Local, long distance and toll telephone.
- Voice over Internet Protocol (VoIP) telephone.
- Cable television.
- Direct-to-home satellite.
- Mobile communications, including detailed billing charges.
- Private line services.
- Pager and beeper.
- Telephone charges made by a hotel or motel.
- Facsimiles (fax), when not provided in the course of professional or advertising service.
- Telex, telegram, and teletype.

Tax Rates

Florida Portion

The Florida portion of the tax includes a state tax rate plus a gross receipts tax rate, for a combined rate of 9.17 percent. The rate for the state tax is 6.65 percent. The total rate for the gross receipts tax is 2.52 percent, which is composed of .15 percent and 2.37 percent.

Dealers may bill and collect the 6.65 percent state tax rate along with the .15 percent gross receipts tax rate (a total of 6.8 percent) provided the amounts are properly reflected on the tax return.

Local Portion

Each local taxing jurisdiction (municipality, charter county, or unincorporated county) has a specific local tax rate. To verify current local tax rates, visit the Department's Internet site at www.myflorida.com/dor. A list of all the current and past local jurisdictional rates is on our Internet site. For a list of current local rates only, download the Jurisdiction Rate Table.

Direct-to-home satellite service is taxed at state rate of 10.8 percent plus 2.37 percent gross receipts tax for a total of 13.17 percent. Local tax does not apply to these services.

What is Exempt?

Dealers should not collect taxes on exempt sales of communications services.

Exempt sales include:

- Sales for resale.
- Sales to Federal agencies, the state, any county or municipality, or other political subdivision.
- Sales to religious and educational organizations with 501(c)(3), I.R.C. status.
- Sales to homes for the aged with 501(c)(3), I.R.C. status and that meet certain provisions.

Examples of documentation needed:

Customer	Documentation Needed
Government	Written evidence, per Rule 12A-19.042, Florida Administrative Code
Religious and educational organizations, and homes for the aged with 501(c)(3), I.R.C. status	Written evidence, per Rule 12A-19.043, Florida Administrative Code
Resale	Copy of Annual Resale Certificate for Communications Services Tax, or telephone or online transaction or vendor authorization number. See the "Annual Resale Certificate" section for more information.

Partial Exemption for Some Residential Services

Communications services sold to a residential household are exempt from the 6.65 percent state tax and the .15 percent gross receipts tax. Residential service is subject to the 2.37 percent gross receipts tax and local tax. This partial exemption does not apply to the sale of mobile communications service, cable service, direct-to-home satellite service, or any residence that constitutes all or part of a transient public lodging establishment as defined in Chapter 509, Florida Statutes.

Examples of how tax rates apply to services:

Local, long distance, VoIP, and toll telephone service is taxed at the total Florida rate of 9.17 percent, plus applicable local tax rate. The 9.17 percent portion is composed of the state rate of 6.65 percent and total gross receipts tax rate of 2.52 percent (.15 percent plus 2.37 percent). However, some services sold to a residential household are exempt from the 6.65 percent state tax and .15 percent gross receipts tax. (See section "Partial Exemption for Some Residential Services")

Mobile communications and cable services are taxed at the total Florida rate of 9.17 percent, plus applicable local tax rate. There is no residential exemption.

Telephone charges made at a hotel or motel and fax services are taxed at the total Florida rate of 9.17 percent, plus applicable local tax rate. There is no residential exemption.

Direct-to-home satellite is taxed at a state rate of 10.8 percent plus 2.37 percent gross receipts tax for a total of 13.17 percent. There is no local tax and no residential exemption.

Informing the Customer

Dealers must itemize and separately state taxes on customer's bills. The taxes must be identified as Florida communications services tax and local communications services tax, respectively.

Who Must Register to Collect Tax?

A business that sells communications services, cable services, direct-to-home satellite services, or other related services must register as a dealer for communications services tax. One registration is required for each legal entity, regardless of the number of locations. You can register using our secure Internet site at www.myflorida.com/dor.

Dealers who collect local communications services tax must notify the Florida Department of Revenue of the method they will use to assign addresses to the correct taxing jurisdiction. To notify us of a change in the method you will use to assign addresses, complete Form DR-700020, *Notification of Method Employed to Determine Taxing Jurisdiction*.

Direct Pay Permits – Self-accrual authority may be granted to qualifying entities for one of two purposes:

- Interstate communications services when the majority of the communications services used originate outside of Florida and terminate within the state.
- Tax due upon determination when the taxable status of sales of communications services will only be known upon use.

To apply for a direct pay permit, complete Form DR-700030, *Application for Self-Accrual Authority/Direct Pay Permit – Communications Services Tax*.

Filing and Paying Taxes

You can file and pay communications services tax using Revenue's secure Internet site or you may develop an in-house software application for direct electronic filing of your tax returns. If you are interested in direct filing, contact us by secure e-mail. Before you can file and pay your taxes electronically, you must enroll in our e-Services program. Go to our Internet site to find out more.

Businesses whose communications services tax collections are less than \$20,000 per year may pay and report tax using a paper DR-700016 return. Returns and payments are due on the 1st and late after the 20th day of the month following the collection period. However, we encourage all taxpayers to file and pay electronically.

Collection Allowances

A dealer using one or more of the qualifying methods to ensure proper address-to-jurisdiction assignment for purposes of collecting local communications services tax will be granted an allowance of .75 percent (.0075) of the total tax due.

The following are qualifying methods:

- Using the DOR address/jurisdiction database to verify the accurate assignment of customer addresses to tax jurisdictions.
- Using a database developed by the dealer that has been certified by DOR to verify the accurate assignment of customer addresses to tax jurisdictions.
- Using a DOR-certified database supplied by a vendor to verify the accurate assignment of customer addresses to tax jurisdictions.
- Using ZIP+4 and a methodology to match an address to its taxing jurisdiction when ZIP codes cross jurisdictional lines.

If a qualifying method is not used to ensure proper address-to-jurisdiction assignment, a collection allowance of .25 (.0025) percent will be granted.

Direct-to-home satellite service providers receive the .75 (.0075) percent collection allowance.

Address/Jurisdiction Database

The DOR Address/Jurisdiction Database identifies the local taxing jurisdiction for addresses in Florida. The database is based on information provided by local taxing jurisdictions and is updated every six months.

Examples of how the database can be accessed and used:

- The public can use the single address look-up screen to look up an address and verify the communications services tax rates and applicable taxing jurisdictions. (No user registration is required.)
- Communications services tax dealers can download the entire address database by state or county. (User registration is required.)
- Local governments can download the address database by state or county. Local governments can also request changes to the database. (User registration is required.)

Certification of Databases

Dealer or vendor databases can be certified for their accuracy of assignment of street addresses to the proper jurisdiction. Dealers or database vendors can request database certification by filing an *Application for Certification of Communications Services Database* (Form DR-700012).

Annual Resale Certificate

The communications services tax has an annual resale certificate separate from the one issued for sales and use tax. Once registered, dealers will be sent an *Annual Resale Certificate for Communications Services Tax* (Form DR-700015). This certificate is used for the tax-exempt purchases of communications services to be resold. We will send each active dealer a new certificate each year. It cannot be used for sales tax purposes.

Here are some points for selling dealers to remember about accepting an *Annual Resale Certificate for Communications Services Tax*.

- Selling dealers must document all exempt sales for resale. You can document these sales by obtaining a copy of the purchaser's annual resale certificate or using Revenue's online verification system. Or, you can call 877-FL-RESALE (877-357-3725) toll-free and select communications services tax.
- When a selling dealer obtains a signed resale certificate, additional sales during the year to the same purchaser do not require a new certificate. If the purchaser buys on account on a continual basis, the selling dealer needs to obtain a certificate valid at the time of purchase, but does not need to obtain a new certificate each year.
- If the purchaser knows their communications services tax certificate/business partner number, the selling dealer can obtain a Transaction Resale Authorization Number online at the time of sale. Or, you can call 877-FL-RESALE (877-357-3725) toll-free and select communications services tax. The Transaction Resale Authorization Number received by phone or online is valid for that transaction only. If a purchaser has already provided a copy of their resale certificate, selling dealers can obtain a unique Vendor Resale Authorization Number by using the online certificate verification system.
- Dealers may upload a batch file of up to 50,000 accounts and receive a Vendor Authorization Number for each the next day. Vendor Authorization Numbers are valid for sales to each purchaser during the calendar year.

For more information, see TIP 07A19- 05.

Use Tax

Consumers who purchase taxable communications services from a seller that does not collect tax must report and pay use tax. Complete Form DR-700019, *Communications Services Use Tax Return*.

For Information and Forms

Information and forms are available on our Internet site at: 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
Tallahassee FL 32399-0112

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