

2024 Florida Disaster Preparedness Sales Tax Holiday: Frequently Asked Questions for Sales and Use Tax Dealers

TAX COLLECTION RESPONSIBILITIES

1. What are the dates and items included in the 2024 Florida Disaster Preparedness Sales Tax Holiday?

There will be two, separate, two-week holiday periods this year. The first **begins on Saturday, June 1, 2024, and ends on Friday, June 14, 2024.** The second holiday period **begins on Saturday, August 24, 2024, and ends on Friday, September 6, 2024.**

A list of items that are exempt from tax during the sales tax holiday is provided in Tax Information Publication (TIP) No. 24A01-04. These include:

- A portable generator used to provide light or communications or preserve food in the event of a power outage with a sales price of \$3,000 or less
- A tarpaulin or other flexible waterproof sheeting with a sales price of \$100 or less
- An item normally sold as, or generally advertised as, a ground anchor system or tie-down kit with a sales price of \$100 or less
- A smoke detector or smoke alarm with a sales price of \$70 or less
- A fire extinguisher with a sales price of \$70 or less
- A carbon monoxide detector with a sales price of \$70 or less
- A nonelectric food storage cooler with a sales price of \$60 or less
- A portable power bank with a sales price of \$60 or less
- A gas or diesel fuel tank with a sales price of \$50 or less
- A portable self-powered radio*, two-way radio, or weather-band radio with a sales price of \$50 or less
- A package of AA-cell, AAA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile and boat batteries, with a sales price of \$50 or less
- A portable self-powered light source* (powered by battery, solar, hand-crank, or gas) with a sales price of \$40 or less
 - Flashlights
 - Lanterns
 - Candles

** Eligible light sources and radios qualify for the exemption, even if electrical cords are included in the purchase.*

- Reusable ice (ice packs) with a sales price of \$20 or less
- Supplies necessary for the evacuation of household pets. For purposes of this exemption, necessary supplies means the noncommercial purchase of:
 - Bags of dry cat or dog food weighing 50 or fewer pounds and with a sales price of \$100 or less per bag
 - Portable kennels or pet carriers with a sales price of \$100 or less per item
 - Over-the-counter pet medications with a sales price of \$100 or less
 - Pet beds with a sales price of \$40 or less per item
 - Cat litter weighing 25 or fewer pounds and with a sales price of \$25 or less per item
 - Leashes, collars, and muzzles with a sales price of \$20 or less per item
 - Pet pads with a sales price of \$20 or less per box or package
 - Manual can openers with a sales price of \$15 or less per item
 - Collapsible or travel-sized food bowls or water bowls with a sales price of \$15 or less per item
 - Cat litter pans with a sales price of \$15 or less per item
 - Pet waste disposal bags with a sales price of \$15 or less per package
 - Hamster or rabbit substrate with a sales price of \$15 or less per package
 - Cans or pouches of wet dog food or cat food with a sales price of \$10 or less per can or pouch or the equivalent if sold in a box or case

2. Am I responsible for correctly exempting qualifying items related to disaster preparedness during the sales tax holiday?

Yes, you are responsible for correctly exempting qualifying items during the tax holiday. If you have a question about a specific item that is not listed in TIP No. 24A01-04, contact the Florida Department of Revenue at (850) 488-6800.

3. What should I do if I mistakenly collect tax on an item that should be exempt from tax during the sales tax holiday?

Sales tax becomes state funds at the moment of collection. You should refund the tax to your customer(s). If the tax cannot be refunded, you must report and pay the tax to the Department.

4. Do I collect the local discretionary tax on the items that are exempt from sales tax during the holiday period?

No. When an item is exempt from sales tax, it is also exempt from discretionary sales surtax. During the holiday period, you will not collect the state sales tax or local option discretionary sales surtax on sales of eligible items.

5. What types of items are not exempt from sales tax?

The 2024 Disaster Preparedness Sales Tax Holiday does not apply to:

- Sales in a theme park, entertainment complex, public lodging establishment, or airport
- Commercial purchases of eligible pet evacuation supplies
- The rental or repair or any of qualifying items

REFUNDS/EXCHANGES

- 6. A customer returns an item that was purchased before the sales tax holiday and exchanges it for another item during the tax holiday. The new item is exempt from tax during the tax holiday. Do I give the customer a tax refund?**

Yes. You must have documentation (e.g., receipts or invoices) showing that tax was paid on the item at the time of the original purchase.

- 7. What if a customer comes back after the sales tax holiday for a refund of the tax they inadvertently paid, but I have already remitted the tax to the Department of Revenue?**

You should refund the tax to your customer. You may take a credit on your next sales and use tax return for the tax refunded to the customer.

- 8. If a customer returns a qualifying exempt item and is given an item of equal price after the sales tax holiday, is sales tax due on the new item?**

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

When a customer purchases an eligible item during the sales tax holiday 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.

SETS CONTAINING BOTH EXEMPT AND TAXABLE ITEMS

- 9. When qualifying items are normally sold together with non-qualifying taxable merchandise as a set or single unit, is the entire set still subject to sales tax?**

Yes. For example, four AA rechargeable batteries are sold in a package that includes a battery charger for \$35. Although the batteries would qualify for the exemption if sold separately during the tax holiday, the battery charger does not qualify. The full sales price of \$35 is taxable.

RECORDS AND REPORTING

- 10. Do I need to account for exempt sales during a sales tax holiday differently than other tax-exempt sales?**

No, there are no additional record-keeping requirements.

COUPONS, DISCOUNTS, AND REBATES

11. Why does a store discount coupon reduce the sales price of a qualifying item, but a manufacturer's coupon or rebate does not?

The sales price of an item includes all consideration received by the retail seller for that item. The price of an item is not limited to the amount paid by a customer. A coupon, discount, or rebate offered by the retail seller reduces the sales price of an item because it reduces the total amount received by the retail seller for the item.

When a retail seller is reimbursed for the amount of any discount created by a manufacturer's coupon, discount, or rebate, the amount of the reimbursement is included in the taxable sales price of the item.

Manufacturer's coupon example: During the sales tax holiday, a package of C-cell and D-cell batteries sells for \$52. The customer uses a \$2 manufacturer's coupon when purchasing the batteries. Although the customer pays \$50 for the batteries, the retail seller's sales price remains \$52 because the seller will receive a total of \$52 for the item: \$50 from the customer and \$2 from the manufacturer. The batteries do not qualify for the exemption during the tax holiday (the price of the qualifying batteries is more than \$50).

Manufacturer's rebate example: During the sales tax holiday, a flashlight sells for \$45. The manufacturer is offering a \$5 instant rebate that is redeemed when a solar-powered flashlight is purchased from the retail seller. Although the customer pays \$40, the retail seller's sales price remains at \$45 because the seller will receive a total of \$45 for the item: \$40 from the purchaser and \$5 from the manufacturer. The solar-powered flashlight does not qualify for the exemption (the price of the item is more than \$40).

Store discount coupon example: During the sales tax holiday, a portable generator sells for \$3,200.00. The retail seller is offering a 10% discount. After applying the 10% discount, the discounted sales price for the portable generator is \$2,880.00. The portable generator is exempt (the sales price is \$3,000 or less).

BUY ONE, GET ONE FREE SPECIALS

12. If the store is offering a "buy one, get one free" or "buy one, get one for a reduced price" special on lanterns and I purchase a lantern for \$50 and get another for free, will the transaction be tax-free because I am effectively paying \$25 (less than the \$40 maximum) for each lantern?

The total price of items advertised as "buy one, get one free" or "buy one, get one for a reduced price" cannot be averaged for both items to qualify for the exemption. In this case, the total sale of \$50 is taxable.

GIFT CARDS

13. If I purchase a gift card during the sales tax holiday, can I then purchase a qualifying item tax-exempt using the gift card after the tax holiday ends?

No. The purchase of the qualifying item must be made during the sales tax holiday to be tax-exempt. However, when qualifying items are purchased during the tax holiday using a gift card, the items are tax-exempt; it does not matter when the gift card was purchased.

RAIN CHECKS

14. If a rain check is issued during the sales tax holiday, can it be used after the tax holiday to purchase the item tax-exempt?

No. The purchase of the qualifying item must be made during the sales tax holiday to be tax-exempt. When a rain check is issued, a sale has not occurred. The sale occurs when the rain check is redeemed and the item is purchased.

LAYAWAY SALES

15. Are items placed on layaway eligible for the tax exemption during the sales tax holiday?

Yes. A layaway is when an item is set aside for 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. Qualifying items placed on layaway during the sales tax holiday are tax exempt, even if final payment of the layaway is made after the tax holiday. If a customer makes a final payment and takes delivery of the items during the tax holiday, the qualifying items are tax-exempt.

MAIL ORDER, CATALOG, OR INTERNET SALES

16. Do the exemptions during a sales tax holiday apply to remote sales (mail order, catalog, or internet)?

Yes. All remote sales of qualifying items during the sales tax holiday are tax-exempt when the order is accepted during the tax holiday for immediate shipment, even if delivery is made after the tax holiday.

An order is accepted by the remote seller 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.

SHIPPING CHARGES

17. How does sales tax apply toward shipping charges for items purchased by mail order or through a catalog or the internet?

Shipping charges separately stated on a customer's invoice are part of the sales price of each item listed on the sales invoice. You must proportionately allocate the shipping charges among the

items ordered. The amount of each item is divided by the total amount of all the items ordered to obtain the percentage that each item bears to the total order. Multiply the total shipping charge by the percentage for each item to determine the amount of the shipping charge applicable to each item.

EXAMPLE

A customer orders a \$36 flashlight and a \$42 package of C-cell batteries, for a total of \$78, during the sales tax holiday. The shipping charge is \$10.

Flashlight:

Cost of flashlight ÷ total cost: $\$36 \div \$78 = 46.15\%$

Shipping charge for flashlight: $46.15\% \times \$10 = \4.62

Total sales price for the flashlight: $\$36 + \$4.62 = \$40.62 + \text{tax}$

Batteries:

Cost of batteries ÷ total cost: $\$42 \div \$78 = 53.84\%$

Shipping charge for batteries: $53.84\% \times \$10 = \5.38

Total sales price for the batteries: $\$42 + \$5.38 = \$47.38$

The flashlight is now more than \$40 with the shipping charge included and no longer qualifies for the sales tax exemption. The batteries remain under \$50 with the shipping charge included and qualify for the exemption.

MERCHANT’S LICENSE OR OTHER FEES (TWO CITIES IN BAY COUNTY ONLY)

18. How do I handle the 1% merchant’s license fee (sometimes referred to as a gross receipts fee) in Panama City or Panama City Beach during a sales tax holiday?

When stores located in these two cities charge customers the 1% fee, it is part of the sales price subject to sales tax, even when the fee is separately stated on a receipt or invoice. When the sales price of the item, plus the 1% merchant’s license fee, makes the total sales price above the per-item price limitation to qualify for exemption during the sales tax holiday, the item does not qualify for the exemption.

EXAMPLE OF ITEM SOLD IN PANAMA CITY

Price of battery-powered lantern	\$40.00
1% merchant’s license fee	<u>+ \$0.40</u>
Taxable value of battery-powered lantern	\$40.40

The lantern is more than \$40 and does not qualify for the exemption.

ADDITIONAL INFORMATION

19. Who is responsible for determining which items are exempt and which aren’t?

The 2024 Back-to-School Sales Tax Holiday is established through the lawmaking authority of the Florida Legislature. Sales tax holidays and the items exempted by them must be passed into law by the Legislature.

20. How can I request that a certain type of product be added to the list?

Sales tax holidays and the items exempted by them are passed into law by the Florida Legislature. You may wish to contact your local representative regarding your suggestion. You can find your representative at www.myfloridahouse.gov.

21. I didn't see my question listed here. Where can I find additional information about the 2024 Florida Disaster Preparedness Sales Tax Holiday?

If you have a question about a specific item that is not listed in TIP No. 24A01-04, contact the Florida Department of Revenue at (850) 488-6800.

22. I heard there were several sales tax holidays this year. Where can I find more information about the other holidays?

House Bill 7073 from the 2024 regular legislative session was signed into law on May 7, 2024. The law contains four tax relief holidays and specifies the time frame for each holiday. For a printable calendar of the tax relief holidays, you can visit our website:

floridarevenue.com/SalesTaxHolidays.