



Sales and Use Tax on Boats

Information for Dealers and Brokers

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Who Must Register to Collect Tax?

Any person or business that sells, offers for sale, or imports boats into Florida for sale at retail must register with the Florida Department of Revenue (Department) as a boat dealer. A boat broker offers boats for sale but may not have the boats in their possession. Boat brokers are also required to register with the Department as a boat dealer.

You can register to collect and report tax online at floridarevenue.com/taxes/registration or submit a paper *Florida Business Tax Application* ([Form DR-1](#)). The online application will guide you through the registration application to help you determine your tax obligations.

What is Taxable?

All boats sold, delivered, used, or stored in Florida are subject to Florida's sales and use tax, plus any applicable discretionary sales surtax, unless exempt. Florida boat dealers and brokers are required to collect tax from the purchaser at the time of sale or delivery.

Discretionary Sales Surtax

Most counties impose a local option discretionary sales surtax. The surtax is due when the boat is delivered by the dealer or broker to a county that imposes a surtax. The surtax is also due when the boat is purchased from an individual and the boat is used in a county imposing a surtax.

Discretionary Sales Surtax Limitation

Discretionary sales surtax does not apply to the sales amount above \$5,000 on a single item of tangible personal property, such as a boat.

A boat and corresponding boat trailer identified as a motor vehicle pursuant to section (s.) 320.01(1), Florida Statutes (F.S.), sold to the same purchaser, at the same time, and included on the same invoice are considered a single item for purposes of determining the amount of discretionary sales surtax (local sales tax) due. In addition, the discretionary sales surtax rate that applies to such a sale is the surtax rate imposed in the county in which the purchaser resides, as identified on the registration or title documents.

See [Tax Information Publication \(TIP\) 24A01-11](#).

Current discretionary sales surtax rates for all counties are listed on Form DR-15DSS, *Discretionary Sales Surtax Information*, posted at floridarevenue.com/forms in the Discretionary Sales Surtax and Tourist Development Tax Rates section.

Maximum Tax

The maximum tax on the sale of a boat or vessel is **\$18,000**. This includes both sales and use tax and discretionary sales surtax. For more information and detailed instructions on this maximum tax, see [TIP 10A01-07](#) issued on June 22, 2010, at floridarevenue.com/taxes/tips.

The maximum tax on the repair of a boat or vessel is **\$60,000**. This cap is to be applied to each boat repair occurring in Florida. Subsequent and separate repairs are each subject to their own \$60,000 cap. For more information and detailed instructions on this maximum tax, see [TIP 15A01-07](#), issued on June 26, 2015.

TIPs are posted at floridarevenue.com/taxes/tips.

Trade-In Allowance

Registered boat dealers and brokers may deduct a trade-in allowance from the purchase price of the boat when, in a single transaction, tangible personal property (not real property) is traded as part of the boat purchase.

When is Tax Due?

Returns and payments are due the first day of the month 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 and payments will be timely if they are postmarked on

the first business day after the 20th. **Florida law requires you to file a tax return even if you do not owe sales and use tax.**

Electronic Filing and Payment

The Department offers the use of its free and secure website to file and pay sales tax at floridarevenue.com/taxes/filepay. You also have the option of buying software from a software vendor. A [list](#) of vendors is available at floridarevenue.com/taxes/eservices. For more information on electronic filing and payment options, visit floridarevenue.com/forms and select [GT-800001](#), *Filing and Paying Taxes Electronically*, under the eServices section.

Any taxpayer can voluntarily enroll to enjoy the benefits of electronic filing; however, **Florida law requires businesses that paid \$5,000 or more** in tax during the State of Florida's prior fiscal year (July 1 – June 30) to file returns and pay taxes electronically during the next calendar year.

Electronic Payment Deadlines

When you **electronically pay, or 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 day of the month** to avoid penalty and interest. Keep a record of your confirmation numbers. For a list of electronic payment deadlines, visit floridarevenue.com/forms and select the current year *Florida eServices Calendar of Electronic Payment Deadlines* ([Form DR-659](#)) under the eServices section.

Alternative Method for Calculating Estimated Tax

Boat dealers and brokers may use an alternative method to calculate estimated sales tax. To qualify for the alternative method, you must have made at least one sale of a boat with a selling price of \$200,000 or more in the prior state fiscal year (July 1 – June 30). Dealers and brokers must apply before October 1 of **each** year and be approved by the Department to use this method. To apply to use an alternative method, fill out and mail a *Boat, Motor Vehicle, or Aircraft Dealer Application for Special Estimation of Taxes* ([Form DR-300400](#)) to the Department. The form is posted at floridarevenue.com/forms in the Sales and Use Tax section.

For boat dealers and brokers approved to use the alternative method for calculating estimated tax, tax is due on the date of the sale for any boat with a selling price of \$200,000 or more.

Penalty and Interest

- **Penalty** – If you file your return or pay tax late, a late penalty of 10% of the amount of tax due, 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 available at floridarevenue.com/taxes/rates.

Specific Exemptions

Boats Sold to Nonresidents

A boat sold by or through a registered dealer or broker to a purchaser who is a nonresident of Florida at the time of taking delivery of the boat in Florida is exempt. This exemption applies to the sale of a boat, including any accessories, but does not apply to the sale of a boat trailer.

To claim the exemption, the nonresident purchaser must provide the selling dealer an affidavit in which the nonresident purchaser affirms it qualifies for the exemption and attests it will provide the documents required to support the exemption to the Florida Department of Revenue (Department) within required time periods. A suggested format for the required affidavit is provided in [TIP 24A01-10](#).

Dealer Documentation Requirements

- Within 30 days after the date of sale, the selling dealer or broker must provide the Department with a copy of the invoice, closing statement, bill of sale, and the original signed affidavit provided by the nonresident purchaser.
- The selling dealer must keep a copy of the affidavit for its records.

Purchaser Removal Requirements

- A boat of less than 5 net tons of admeasurement must leave Florida within 10 days after the date of purchase or immediately be placed in the care, custody, and control of a registered repair facility for repairs, additions, or alterations. The boat must leave Florida within 20 days after completion of the repairs.
- If the boat is 5 net tons of admeasurement or larger, the purchaser may obtain a set of Florida Department of Revenue boat decals from the selling dealer or broker, which authorize the boat to remain in Florida waters up to 90 days after the date of purchase. This period may be extended to 180 days with the purchase of a 90-day extension decal from the selling dealer or broker. The extension decals must be obtained from the selling dealer or broker within 60 days after the date of purchase. The cost of an extension decal set is \$425.

Purchaser Documentation Requirements

- Within 30 days after the date of removal of the boat from Florida, the nonresident purchaser must furnish the Department with proof that the boat left Florida. Receipts for fuel, dockage, or repairs purchased outside Florida must identify the boat.
- Within 90 days after the date of removal of the boat from Florida, the nonresident purchaser must provide the Department with written documentation evidencing that the boat was documented, licensed, titled, or registered outside Florida. If written documentation is unavailable, the nonresident purchaser must provide proof that the nonresident purchaser has applied for the license, title, or registration of the boat outside Florida. The nonresident purchaser must provide the Department with proof of title, license, registration, or documentation upon receipt.

This exemption does not apply to a Florida resident, an entity in which the controlling person is a Florida resident, or a corporation in which any officers or directors are Florida residents.

Documentation must be mailed to:

General Tax Administration
Boats - MS 1-2800
Florida Department of Revenue
PO Box 6417
Tallahassee FL 32314-6417

Boats Imported for Sale

A boat that is brought into Florida for the sole purpose of sale at retail by a registered boat dealer or broker is exempt from Florida use tax. The boat must be under the care, custody, and control of the dealer or broker, and personal use of the boat is **not** permitted while it is in Florida.

Reference Material

Tax Laws – The Department's online Tax Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. The Tax Law Library can be found under the Quick Links on the Department's homepage at floridarevenue.com.

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

- *Florida Sales and Use Tax* (GT-800013)
- *Discretionary Sales Surtax* (GT-800019)
- *Sales and Use Tax on Boats – Information for Owners and Purchasers* (GT-800005)

Contact Us

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

Tax forms and publications are available 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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