



Sales and Use Tax – Repairs to Tangible Personal Property

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This publication provides general information about Florida sales tax on repairs to tangible personal property. The information provided does not cover every situation and is not intended to change the law or its meaning.

Generally, most repairs to tangible personal property are taxable, unless an exemption or exclusion applies. Businesses engaged in repairing tangible personal property for others are required to register with the Florida Department of Revenue to collect, report, and remit Florida sales tax. To register or obtain information about registering, visit floridarevenue.com/taxes/registration.

Tangible personal property is personal property that can be seen, weighed, measured, touched, or is in any manner perceptible to the senses. Examples of tangible personal property include but are not limited to:

- Jewelry
- Clothing
- Electronic Devices
- Furniture
- Motor Vehicles

Repairs with Parts or Materials

In addition to labor or services, repairs to tangible personal property normally require the repairer to supply parts or materials that are incorporated into or attached to the repaired item. Under Florida law, transactions that require labor and materials to alter, remodel, maintain, adjust, or repair tangible personal property are taxable.

Therefore, when a repairer supplies any parts or materials, the total amount the repairer charges its customer for repairing the tangible personal property is taxable unless the transaction is specifically exempt. Sales tax applies even if the repairer does not charge the customer for the parts or materials.

Example: ABC Company (ABC) just finished a lawn mower repair. It was a simple fix. There were just a few loose bolts that had to be adjusted and tightened. One bolt caused a little difficulty, but with a little lubricant, the bolt was able to be tightened. ABC charged its customer \$50 to tighten the bolts. The \$50 charge is taxable because the repairer provided lubricant that was incorporated into the repaired lawn mower.

Repairs with Labor or Service Only

When a repairer provides labor or service only to repair tangible personal property **and** the repairer can establish by evidence in its records that it did not furnish any parts or materials that were incorporated into or attached to the repaired item, the charge for the repair is exempt.

Example: Mary's favorite bracelet keeps coming off. She notices that the clasp isn't closing all the way, but she is afraid to try to fix it herself. She takes it to DEF Company (DEF) for repair. DEF adjusts the clasp. The repairer did not have to use any parts or materials. DEF provided Mary an invoice for a clasp adjustment of \$25 with a notation "Labor Only" and includes the documentation in its records. The \$25 labor-only charge is not taxable because the repairer did not provide any parts or materials that were incorporated into the bracelet.

Items Shipped Into or Outside Florida for Repair

When tangible personal property is shipped into Florida, repaired, and shipped back to its owner in another state, the charge is not subject to Florida sales tax because the owner is not taking possession of the repaired item in Florida.

When tangible personal property is shipped out of Florida, repaired, and shipped back to Florida, the repair is taxable.

Factory or Manufacturer Warranty Repairs

When a new tangible item is repaired under a factory or manufacturer's warranty provided with the product at no additional charge, the covered parts and materials are exempt if paid for by the factory or manufacturer.

Service Warranty Repairs

The payment of a claim for repairs to tangible personal property under a taxable service warranty are exempt when payment is made directly by the service warranty issuer to the repairer. The repairer must document the following information on the repair invoice:

- name of the entity/company that issued the service warranty;
- identification number of the service warranty;
- date of issuance of the service warranty;
- Florida Sales Tax Certificate of Registration number of the service warranty issuer; and
- amount of the claim to be paid by the service warranty issuer.

Any payment or part of a payment for service warranty repairs made by the holder of the service warranty is taxable, even if the service warranty holder is reimbursed by the service warranty issuer.

Insurance Claims and Repairs

Repairs to tangible personal property paid for by an insurance company in settlement of a claim arising under the owner's insurance policy are taxable.

Sales Tax Rate on Repairs

Most repairs are subject to Florida's general state sales tax rate of 6% and any applicable discretionary sales surtax (local option tax). Discretionary sales surtax rates vary by county. The discretionary sales surtax rate that applies to repair charges is based on where the owner of the property takes possession of the repaired item.

Purchases by Repair Businesses

Repair businesses can use their Florida Annual Resale Certificate for Sales Tax (Form DR-13) to buy parts and materials tax exempt when the parts and materials are incorporated into, and become a part of, the tangible personal property repaired. Materials and supplies that are used by the repairer and do not become a part of the property repair are taxable.

Other Helpful Publications and Resources

The following publications and others are available at floridarevenue.com/forms:

- *Discretionary Sales Surtax* (GT-800019)
- *Florida Sales and Use Tax* (GT-800013)
- *Florida Annual Resale Certificate for Sales Tax* (GT-800060)
- *Business Owner's Guide* (GT-300015)
- *Florida eServices Calendar of Electronic Payment Deadlines* (Form DR-659)
- *Filing and Paying Taxes Electronically* (GT-800001)

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. For an email reply to tax questions, email Taxpayer Services at fdortaxpayerservices@floridarevenue.com.

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