

Tax Information Publication

TIP 04B05-03

Date Issued: Jul 07, 2004

**It's a Gasoline Tax Cut
in Florida this August**

(Wholesalers/Importers)

The Florida Motor Fuel Tax Relief Act of 2004 will begin at 12:01 a.m., August 1, 2004, and end at midnight August 31, 2004.

Florida's gasoline tax will be cut by 8 cents per gallon.

During the Gasoline Tax Cut, Florida's gasoline tax will be reduced by 8 cents per gallon. Florida tax on gasoline purchased at the loading rack during this period will be reduced from 24 cents per gallon to 16 cents per gallon. Your gasoline supplier is required by law to provide you with an invoice that reflects the reduced tax rate or a credit memo that reflects the reduced tax rate beginning August 1.

All of your August sales must be at the reduced tax rate.

Gasoline that you sell to your customers from 12:01 a.m., August 1 through midnight August 31 must be sold at the reduced rate, even gasoline that you purchased prior to August 1. By law, your invoices to your customers on all August sales must reflect the reduced tax rate.

The Department has created a flyer for you to include with your sales invoices to retailers during the Gasoline Tax Cut. The Florida Gasoline Tax Cut Reminder for Retailers may be downloaded from our web site at www.myflorida.com/dor.

Gasoline imported during this period shall be subject to the reduced tax rate. Gallons purchased prior to midnight August 31, 2004, but imported after midnight shall be subject to the full rate of 24 cents per gallon.

Based on your inventory reconciliation, the Department will issue you a refund or a bill.

The Florida Department of Revenue will reconcile your beginning and ending inventory. Based on the inventory reconciliation, you will receive a refund or a bill from the Department. If your ending gasoline inventory on August 31 is less than your beginning inventory on August 1, you will receive a refund. If your ending inventory on August 31 is greater than your beginning inventory on August 1, you will receive a bill (number of gallons difference multiplied by 8 cents).

Accounting for the Gasoline Tax Cut

The Department is not revising tax returns or software. Complete your August tax return (DR-309632) as usual. Then, complete the enclosed supplemental worksheet (DR-309632*A) to determine the proper amount of tax due with your return.

Continue to charge and remit local options taxes in the same manner. Ultimate Vendor Credits (credit for gasoline tax exempt sales) will be calculated at the reduced rate for this period.

Failure to comply with the Florida Motor Fuel Tax Relief Act of 2004 is a third-degree felony. In the event that your business is investigated, the following factors should be considered:

- * Average gross margin (cents per gallon) per grade for the 60-day period prior to August 2004.
- * For retail stations either operated by wholesalers or stations where wholesalers set the selling price of the gasoline, the average gross margin (cents per gallon) per grade for the previous 60-day period, prior to August.
- * Any other factors you may provide to prove that gasoline prices were properly reduced to reflect the tax cut.

Note: The Gasoline Tax Cut does not include diesel fuel.

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not, by its own effect, create rights or require compliance.

Visit our web site at www.myflorida.com/dor for:

- * Current information about the Gasoline Tax Cut
- * A flyer for your customers, Gasoline Tax Cut Reminder to Retailers
- * House Bill 237
- * Emergency Rule 12BER04-7
- * Supplemental worksheet for wholesalers/importers, DR-309632*A

For forms and other information, visit our Internet site at www.myflorida.com/dor.

Or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

Hearing or speech impaired persons should call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write:

Florida Department of Revenue
Taxpayer Services
1379 Blountstown Highway
Tallahassee, FL 32304-2716

August 1 through August 31, 2004