



# Sales and Use Tax on Amusement Machines

GT-800020  
R. 10/21

General information for owners and operators of  
coin-operated amusement machines

## What is a Coin-operated Amusement Machine?

A coin-operated amusement machine is any machine operated by coin, slug, token, coupon, or other similar device for entertainment or amusement purposes, such as:

- Arcade games or video games
- Billiard or pool tables
- Coin-operated radios or televisions or moving picture viewers
- Juke boxes or music machines
- Mechanical rides
- Pinball machines
- Shooting galleries
- Telescopes

The amusement machine **operator** is any person who possesses a coin-operated amusement machine for the purpose of generating sales through that machine, and who is responsible for removing the receipts from the machine.

## What is Taxable?

Sales tax, plus any applicable discretionary sales surtax, is due on the receipts generated through coin-operated amusement machines, unless the receipts are exempt.

The purchase, lease, or rental of amusement machines, amusement machine parts, and repairs to amusement machines are subject to sales tax, plus any applicable discretionary sales surtax. Items purchased as prizes are subject to tax, plus any applicable surtax, at the time of purchase.

The lease, rental, or license to operate an amusement machine at another person's location is subject to sales tax, plus any applicable discretionary sales surtax.

## What is Exempt?

Receipts from amusement machines operated by churches and synagogues are exempt.

## What Certificates are Required?

### Sales and Use Tax Certificate of Registration (Form DR-11).

Amusement machine operators must register as a sales and use tax dealer in each county where they operate an amusement machine.

You can register to collect, report, and pay sales tax and discretionary sales surtax online at [floridarevenue.com/taxes/registration](http://floridarevenue.com/taxes/registration). The online system will guide you through a series of questions to help determine your tax obligations. If you do not have internet access, you can complete a paper *Florida Business Tax Application* (Form DR-1).

As a registered sales and use tax dealer, a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13) will be mailed to you. Paper returns will be mailed to you unless you are filing electronically. The *Certificate of Registration* must be displayed in a clearly visible place at your business location. The *Florida Annual Resale Certificate for Sales Tax* is used for tax-exempt purchases you intend to resell. If the goods bought for resale are later used (not resold), you must report and pay use tax and surtax on those items. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*.

### **Amusement Machine Certificate (Form DR-18C)**

For every location where coin-operated amusement machines are in operation, a certificate must be displayed authorizing the operation of a specified number of machines. The amusement machine operator is required to purchase and display the annual *Amusement Machine Certificate* (Form DR-18C).

To obtain the required annual certificates, submit an *Application for Amusement Machine Certificate* (Form DR-18). The annual cost of the certificate is \$30 per machine at each location.

**Amusement machine certificates expire on June 30th each year and must be renewed before that date.** A renewal notice containing information on your *Amusement Machine Certificates* will be mailed to the machine operator 30 to 60 days before the certificate's expiration date.

A \$250 per machine penalty may be imposed on the amusement machine operator for failure to obtain and properly display a current *Amusement Machine Certificate*, or when the number of amusement machines shown on the *Amusement Machine Certificate* is less than the number of machines at that location. A \$250 per machine penalty may also be imposed on the business where any amusement machine is operated without a current *Amusement Machine Certificate*.

### **Who Collects, Reports, and Pays the Tax?**

The responsibilities of the machine operator are to:

- Obtain and display the *Amusement Machine Certificate*
- Remove the receipts from the machine
- Pay sales tax, plus any applicable surtax, due on the receipts from the machine
- Keep proper records

The business owner where the amusement machines are operated is considered the amusement machine operator, even when the business is not the owner of the machines. However, the machine operator's responsibilities may be otherwise specified in a **written agreement** between the business owner and the amusement machine owner.

When a written agreement between the location business and the machine operator specifies that the arrangement is a license to use real property, the location business is required to collect sales tax, plus applicable surtax, from the machine operator on the rental consideration paid for use of the real property on which the machines are operated. Sales tax, plus applicable surtax, is due on the total rental consideration, including any commission or percentage of machine receipts received by the location business from the machine operator. For more information, review the brochure *Sales and Use Tax on the Rental, Lease, or License to Use Commercial Real Property* (GT-800016).

Machine operators who lease or license space (real property) to place and operate an amusement machine may obtain a *Sales and Use Tax Direct Pay Permit* to self-accrue and pay sales tax, plus applicable surtax, directly to the Department on the rental consideration paid. To apply for a permit, submit an *Application for Self-Accrual Authority/Direct Pay Permit – Sales and Use Tax* (Form DR-16A).

Business owners that receive a *Sales and Use Tax Direct Pay Permit* from an amusement machine operator are not required to collect sales tax or surtax on the amount received from the operator for the lease, or license to use real property.

## How to Calculate Tax on Amusement Machine Receipts

Charges for the use of amusement machines are subject to sales tax and discretionary sales surtax at the tax rate imposed by the county where the machines are located. To calculate the sales tax plus any applicable surtax:

1. Divide the **total receipts** from charges for the use of amusement machines by the tax rate divisor for the county where the machines are located to compute **gross sales**.
2. Subtract **gross sales** from the **total receipts** to compute the amount of sales tax and surtax due.

A deduction is not allowed for any amount paid for the lease or license of the machine, or the space (real property) to operate a machine, when computing the tax and surtax due on amusement machine receipts.

Surtax Rate	Amusement Divisor
No surtax	1.040
0.5%	1.045
1.0%	1.050
1.5%	1.055
2.0%	1.060
2.5%	1.065

Example
The total amusement machine receipts of \$100 are received from machines located in a county with a combined sales and surtax rate of 6.5%. The amusement machine rate divisor is 1.045.
$\$100 \div 1.045 = \$95.69$ (gross sales) $\$100 - \$95.69 = \$4.31$ (sales tax and surtax due)
$\$95.69 \times .005 = \$0.48$ (discretionary sales surtax) Report \$.48 surtax for this transaction on Line 15(d)., Form DR-15, <i>Sales and Use Tax Return</i> .

## Filing and Paying Tax

You can file returns and pay sales and use tax, plus any applicable surtax, using the Department's online file and pay website at [floridarevenue.com/taxes/filepay](http://floridarevenue.com/taxes/filepay) or you may purchase software from a software vendor. A list of software vendors is available online at [floridarevenue.com/taxes/eservices](http://floridarevenue.com/taxes/eservices).

**Returns and payments are due on the 1st 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** are timely if they are filed electronically (without payment), postmarked or delivered in person on the first business day after the 20th
- **payments** are timely if they are postmarked or delivered in person on the first business day after the 20<sup>th</sup>

**Florida law requires you to file a tax return even when NO sales and use tax is due.**

When you electronically pay only, or you 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. Keep the confirmation number in your records. The *Florida eServices Calendar of Electronic Payment Deadlines* (Form DR-659) provides a list of deadlines for initiating electronic payments on time and is available online at [floridarevenue.com/forms](http://floridarevenue.com/forms) under the eServices section.

If you file your return or pay tax late, a late penalty of 10% of the amount of tax owed, 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. A floating rate of interest applies to underpayments and late payments of tax. Interest rates are available online at [floridarevenue.com/taxes/rates](http://floridarevenue.com/taxes/rates).

## How to Report Tax

Sales tax and surtax due on amusement machine receipts must be reported on a *Sales and Use Tax Return* (Form DR-15). Below is an example.

Certificate Number: <b>Florida</b>		<b>Sales and Use Tax Return</b>		HD/PM Date: / /	DR-15
		1. Gross Sales	2. Exempt Sales	3. Taxable Amount	4. Tax Due
A. Sales/Services/Electricity		.	.	.	.
B. Taxable Purchases	Include use tax on Internet / out-of-state untaxed purchases →			.	.
C. Commercial Rentals		.	.	.	.
D. Transient Rentals		.	.	.	.
E. Food & Beverage Vending		.	.	.	.
Surtax Rate: _____ Reporting Period _____		5. Total Amount of Tax Due			.
		6. Less Lawful Deductions			.
		7. Net Tax Due			.
		8. Less Est Tax Pd / DOR Cr Memo			.
		9. Plus Est Tax Due Current Month			.
		10. Amount Due			.
		<del>11. Less Collection Allowance</del>			<b>E-file/E-pay Only</b>
		12. Plus Penalty			.
		13. Plus Interest			.
		14. Amount Due with Return			.

Name  
Address  
City/St  
ZIP

**FLORIDA DEPARTMENT OF REVENUE**  
5050 W TENNESSEE ST  
TALLAHASSEE FL 32399-0120

On **Line A**, report the amount calculated as gross sales (Column 1) and as taxable sales (Column 3). Report the amount calculated as tax and surtax due in **Column 4, Tax Due**. On **Line 19** (on the back of a paper return), report the amount of taxable sales from amusement machines. On **Line 15(d)**, report the amount of surtax due on sales from amusement machines.

Signature of Taxpayer	Date	Signature of Preparer	Date
Telephone Number		Telephone Number	

### Discretionary Sales Surtax - Lines 15(a) through 15(d)

15(a). Exempt Amount of Items Over \$5,000 (included in Column 3)	15(a).
15(b). Other Taxable Amounts NOT Subject to Surtax (included in Column 3)	15(b).
15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate (included in Column 3)	15(c).
15(d). Total Amount of Discretionary Sales Surtax Due (included in Column 4)	15(d).
16. Hope Scholarship Credits (included in Line 6)	16.
17. Taxable Sales/Untaxed Purchases or Uses of Electricity (included in Line A)	17.
18. Taxable Sales/Untaxed Purchases of Dyed Diesel Fuel (included in Line A)	18.
19. Taxable Sales from Amusement Machines (included in Line A)	19.
20. Rural or Urban High Crime Area Job Tax Credits	20.
21. Other Authorized Credits	21.

## Family Amusement Games Act

The Family Amusement Games Act (section 546.10, Florida Statutes) requires the Department of Revenue to annually adjust the maximum value on the redemption value of a coupon or a point for purposes of defining an amusement game or machine.<sup>1</sup> The adjusted maximum value becomes effective the following January 1st.

Effective Date	Adjusted Maximum Value
July 1, 2015 – December 31, 2017	\$5.25
January 1, 2018 – December 31, 2018	\$5.35
January 1, 2019 – December 31, 2019	\$5.50
January 1, 2020 – December 31, 2020	\$5.60
January 1, 2021 – December 31, 2021	\$5.70
January 1, 2022 – December 31, 2022	\$6.00

<sup>1</sup> The maximum value is adjusted annually by the rate of inflation for the 12 months preceding September 1, rounded to the nearest 5 cents, by multiplying the previous maximum value by one plus the percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items (not seasonally adjusted), as calculated by the U.S. Department of Labor.

## **Updating Your Business Information**

The quickest way to notify the Department of changes to your account, such as updates to your name, mailing address, or business location, or to temporarily suspend or resume business operations, is online at [floridarevenue.com/taxes/updateaccount](http://floridarevenue.com/taxes/updateaccount).

If you close or sell your business, **you must file a final return and pay all taxes due within 15 days** after closing or selling the business. Your final return must cover the period from your most recent return filing to the closing date.

## **Learn More and Stay Informed**

Visit the Department's Taxpayer Education webpage at [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education) for additional information and educational webinars. The Taxpayer Education page has sales and use tax tutorials on how to complete your tax return, calculate discretionary sales surtax, electronically file and remit your taxes, and pay estimated tax.

## **Reference Material**

**Brochures** - Download these brochures from [floridarevenue.com/forms](http://floridarevenue.com/forms):

- *Sales and Use Tax on the Rental, Lease, or License to Use Commercial Real Property* (GT-800016)
- *Sales and Use Tax on Concession Sales* (GT-800003)
- *Sales and Use Tax on Vending Machines* (GT-800041)

## **Contact Us**

Information and tutorials are available online at [floridarevenue.com/taxes/education](http://floridarevenue.com/taxes/education).

Tax forms and publications are available online at [floridarevenue.com/forms](http://floridarevenue.com/forms).

**To speak with a Department of Revenue representative**, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

**Subscribe to Receive Updates by Email from the Department.** Subscribe to receive an email for due date reminders, Tax Information Publications (TIPs), or proposed rules, including notices of rule development workshops and emergency rulemaking. Subscribe today at [floridarevenue.com/dor/subscribe](http://floridarevenue.com/dor/subscribe).