



Sales and Use Tax on Alcoholic Beverages

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What is Taxable?

Alcoholic beverages, including mixed drinks, beer, ale, and wine, are subject to sales tax, plus any applicable discretionary sales surtax (surtax) imposed by the county where the beverage is sold. Alcoholic beverages also include packaged goods sold in the original sealed container for consumption off the premises of the business establishment.

Complimentary alcoholic beverages given to customers free of charge as promotional or courtesy items are subject to use tax and surtax on the total cost of the beverage given away, including labor cost and overhead cost to prepare and serve the alcoholic beverage.

What is Exempt?

Public lodging establishments that advertise complimentary food and drinks are not required to pay tax on the complimentary food or drinks provided when:

- The food or drinks are furnished as part of a packaged room rate
- No specific amount or separate charge is stated to the guest for such food or drinks
- The public lodging establishment has a valid license with the Department of Business and Professional Regulation's Division of Hotels and Restaurants
- The public lodging establishment rents or leases transient accommodations subject to sales tax

Wine, liquor, and distilled spirits provided by distributors or vendors for the purpose of wine or spirituous beverage tasting are exempt from sales and use tax. Any charge for admission or participation in a wine or spirituous beverage tasting to the general public is subject to sales tax, plus any applicable surtax imposed by the county where the tasting event occurs.

Calculating Tax

When it is impractical to separately itemize tax on a charge ticket, sales slip, or other customer receipt, any person selling alcoholic beverages must use one of two methods (listed below) to calculate sales tax and surtax due. The method used is based on whether a business notifies customers that tax is included in the total charge for alcoholic beverages.

Method 1 – No Public Notice is Provided that Tax is Included in Total Charge

Use this method to calculate sales tax and surtax due on sales of alcoholic beverages when you do not notify your customers tax is included in the total charge for alcoholic beverages.

To calculate sales tax and surtax due, multiply the **total receipts** from sales of alcoholic beverages by the effective tax rate (shown below) for the county where the business is located, and the type of alcoholic beverages sold.

Method 1 – No Public Notice to Customers that Tax is Included in Total Charge for Alcoholic Beverages		
Sales and Surtax Rate	Effective Rate for Packaged Goods Only	Effective Rate for Mixed Drinks or Mixed Drinks and Packaged Goods
6.0%	.0635	.0659
6.5%	.0677	.0697
7.0%	.0730	.0751
7.5%	.0776	.0795
8.0%	.0822	.0839
8.5%	.0868	.0883

Example: The total receipts of alcoholic beverages by a package store that does not sell mixed drinks is \$2,000. The package store is in a county with a combined sales and surtax rate of 7.0%.

$$\$2,000 \times .0730 = \$146.00 \text{ (sales tax and surtax due)}$$

$\$2,000 \times .01 = \20.00 (discretionary sales surtax) Report \$20.00 surtax for this transaction on Line 15(d), Form DR-15, *Sales and Use Tax Return*.

Example: The total receipts of alcoholic beverages by a business that sells packaged goods and mixed drinks is \$2,000. The business does not segregate sales of packaged goods from mixed drinks. The business is in a county with a combined sales and surtax rate of 7.0%.

$$\$2,000 \times .0751 = \$150.20 \text{ (sales tax and surtax due)}$$

$\$2,000 \times .01 = \20.00 (discretionary sales surtax) Report \$20.00 surtax for this transaction on Line 15(d), Form DR-15, *Sales and Use Tax Return*.

Method 2 – Public Notice is Provided that Tax is Included in Total Charge

Use this method to calculate sales tax and surtax due on sales of alcoholic beverages when you post price lists or display signs prominently throughout your business establishment notifying customers tax is included in the total charge for alcoholic beverages.

To calculate the sales tax, plus any applicable surtax, due on alcoholic beverage sales:

- Divide the **total receipts** from charges for the sales of alcoholic beverages by the tax rate divisor for the county where the business is located to compute **gross sales**
- Subtract **gross sales** from the **total receipts** to compute the amount of sales tax and surtax due

Method 2 – For when there is Public Notice to Customers that Tax is Included in Total Charge for Alcoholic Beverages		
Sales and Surtax Rate	Divisor for Packaged Goods	Divisor for Mixed Drinks or Mixed Drinks and Packaged Goods
6.0%	1.0635	1.0659
6.5%	1.0677	1.0697
7.0%	1.0730	1.0751
7.5%	1.0776	1.0795
8.0%	1.0822	1.0839

Example: The total receipts of alcoholic beverages by a package store that does not sell mixed drinks is \$2,000. The package store is in a county with a combined sales and surtax rate of 7.0%.

$$\begin{aligned} \$2,000 \div 1.0730 &= \$1,863.93 \text{ (gross sales)} \\ \$2,000 - \$1,863.93 &= \$136.07 \text{ (sales tax and surtax due)} \end{aligned}$$

$\$2,000 \times .01 = \20.00 (discretionary sales surtax) Report \$20.00 surtax for this transaction on Line 15(d), Form DR-15, *Sales and Use Tax Return*.

Example: The total receipts of alcoholic beverages by a business that sells packaged goods and mixed drinks is \$2,000. The business does not segregate sales of packaged goods from mixed drinks. The business is in a county with a combined sales and surtax rate of 7.0%.

$$\begin{aligned} \$2,000 \div 1.0751 &= \$1,860.29 \text{ (gross sales)} \\ \$2,000 - \$1,860.29 &= \$139.71 \text{ (sales tax and surtax due)} \end{aligned}$$

$\$2,000 \times .01 = \20.00 (discretionary sales surtax) Report \$20.00 surtax for this transaction on Line 15(d), Form DR-15, *Sales and Use Tax Return*.

Who Must Register to Collect Tax?

Any person who desires to make retail sales of alcoholic beverages must register as a dealer with the Florida Department of Revenue to collect and report sales tax.

You can register to collect, report and pay sales tax and discretionary sales surtax online at 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 tax 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*.

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 or you may purchase software from a software vendor. A list of software vendors is available on the Department's website at 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 20th

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 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.

Updating Your Business Information

The quickest way to notify the Department of changes to your account, such as updates to your name, mailing address, business location, or to temporarily suspend or resume business operations, is online at 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 for additional information and educational webinars. The Taxpayer Education page has sales and use tax tutorials on how to complete your tax return, calculate surtax, electronically file and remit your taxes, and pay estimated tax.

Reference Material

Rules – The following rules of the Florida Administrative Code are available at flrules.org.

- *12A-1.057 – Alcoholic and Malt Beverages*
- *12A-15.012 – Alcoholic and Malt Beverages*

Contact Us

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

Tax forms and publications are available online 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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