



2022 Florida Children's Books Sales Exemption Period: Frequently Asked Questions for Sales and Use Tax Dealers

TAX COLLECTION RESPONSIBILITIES

1. Am I responsible for correctly exempting qualifying items during the Children's Books Sales Tax Exemption Period?

Yes, you are responsible for correctly exempting qualifying items during the sales tax exemption period. If you have a question about a specific item that is not listed in Tax Information Publication No. [22A01-02](#), contact the Florida Department of Revenue at (850) 488-6800.

2. What should I do if I mistakenly collect tax on an item that should be exempt from tax during the sales tax exemption period?

Sales tax becomes state funds at the moment of collection. You may refund the tax to your customer(s). If the tax cannot be refunded, you must report and pay the tax to the Department.

3. What if a customer comes back after the sales tax exemption period for a refund of the tax they inadvertently paid, but I have already remitted the tax to the Department of Revenue?

You may refund the tax to the customer. You may take a credit on your next sales and use tax return for the tax refunded to the customer.

REFUNDS/EXCHANGES

4. A customer returns an item that was purchased before the sales tax exemption period and exchanges it for another item during the tax exemption period. The new item is exempt from tax during the tax exemption period. Do I give the customer a tax refund?

Yes. You must have documentation (e.g., receipts or invoices) showing that tax was paid on the item at the time of the original purchase.

5. If a customer returns a qualifying exempt item and is given an item of equal price after the sales tax exemption period, is sales tax due on the new item?

If a customer buys an eligible item during the sales tax exemption period and later exchanges it for another tax-exempt item, no tax will be due, even after the tax exemption period expires.

If a customer buys an eligible item during the sales tax exemption period and later returns the item and receives credit toward the purchase of an item that did not qualify for the exemption, sales tax will apply to the new purchase.

RECORDS AND REPORTING

9. Do I need to account for exempt sales during the sales tax exemption period differently than other tax-exempt sales?

No, there are no additional record-keeping requirements.

SHIPPING CHARGES

10. How does sales tax apply toward shipping charges for children's books purchased by mail order or through a catalog or the internet?

Shipping charges separately stated on a customer's invoice are part of the sales price of each item listed on the sales invoice. You must proportionately allocate the shipping charges among the items ordered. The amount of each item is divided by the total amount of all the items ordered to obtain the percentage that each item bears towards the total order. Multiply the total shipping charge by the percentage for each item to determine the amount of the shipping charge applicable to each item.

Example 1: A customer orders five children's books for a total of \$50. Since these books are all tax-exempt under the 2022 Children's Books Sales Tax Exemption Period, the shipping charge of \$10 is also tax-exempt.

Example: A customer orders a \$60 children's book and a \$36 reading lamp, for a total of \$96, during the Children's Books Sales Tax Exemption Period. The shipping charge is \$10.

Children's book:

Cost of book ÷ total cost: $\$60 \div \$96 = 62.5\%$

Shipping charge for book: $62.5\% \times \$10 = \6.25

Total sales price for the book: $\$60 + \$6.25 = \$66.25$

Reading Lamp:

Cost of lamp ÷ total cost: $\$36 \div \$96 = 37.5\%$

Shipping charge for lamp: $37.5\% \times \$10 = \3.75

Total sales price for the lamp: $\$36 + \$3.75 = \$39.75$

Because of the 2022 Florida Children's Books Sales Tax Exemption Period, the total sales price (including shipping) of the children's book is tax-exempt. However, because the reading lamp is not tax-exempt, it is now taxable at \$39.75.

MERCHANT'S LICENSE OR OTHER FEES (TWO CITIES IN BAY COUNTY ONLY)

11. How do I handle the 1% merchant's license fee (sometimes referred to as a gross receipts fee) in Panama City or Panama City Beach during the sales exemption period?

When stores located in these two cities charge customers the 1% fee, it is part of the sales price subject to sales tax, even when the fee is separately stated on a receipt or invoice.

Example:

Price of children's books	\$60.00
1% merchant's license fee	<u>+ \$0.60</u>
Total price	\$60.60

The total amount, \$60.60, is exempt from sales tax during the 2022 Children's Book Sales Tax Exemption Period.

ADDITIONAL INFORMATION

11. I didn't see my question listed here. Where can I find additional information about the 2022 Children's Books Sales Tax Exemption Period?

If you have a question about a specific item that is not listed in TIP No. [22A01-02](#), contact the Florida Department of Revenue at (850) 488-6800.