

STATE OF FLORIDA  
DEPARTMENT OF REVENUE  
CHAPTER 12A-1, FLORIDA ADMINISTRATIVE CODE  
SALES AND USE TAX  
AMENDING RULES 12A-1.006, 12A-1.007, 12A-1.032, and 12A-1.044  
CREATING RULE 12A-1.111

**12A-1.006 Charges by Dealers Who Adjust, Apply, Alter, Install, Maintain, Remodel, or Repair Tangible Personal Property.**

(1)(a) Where parts are furnished by the repairer, the entire charge the repairer makes to a customer for adjusting, applying, installing, maintaining, remodeling, or repairing tangible personal property is taxable, ~~except as otherwise provided in paragraph (b) of this subsection.~~

~~(b) Effective October 1, 1994, separately stated labor charges for the repair and maintenance of aircraft with a maximum certified take-off weight of more than 20,000 pounds are exempt, but the charges for parts and equipment furnished in connection with such labor charges remain taxable. If the charges for labor are not separately stated on the customer's invoice, then the entire charge for the repair or maintenance is taxable, unless the repairer (dealer) can establish by evidence in the dealer's records that the dealer furnished no parts or equipment which were incorporated into or attached to the aircraft. See paragraph 12A-1.007(10)(k), F.A.C.~~

~~(b) (e)~~ No change

~~(2) The foregoing paragraph applies to motor vehicles, boats, aircraft (as specifically provided), watches, radios, jewelry, furniture, electrical appliances, and any other articles of tangible personal property. The charges for cleaning or regulating any item of tangible personal property of any such items where lubrication occurs are taxable, except that in the case of aircraft with a maximum certified take-off weight of more than 20,000 pounds, separately stated labor charges are exempt.~~

(3) No change

(4) Charges ~~Except as otherwise provided in paragraph (b) of subsection (1),~~ charges for repairs of tangible personal property which require labor or service only are taxable unless the repairer (dealer) can establish by evidence in the dealer's records that the dealer furnished no tangible personal property which was incorporated into

or attached to the repaired item. It is immaterial that the cost of the material furnished is insignificant when compared to the cost of the labor involved. For maintenance contracts covering tangible personal property, refer to Rule 12A-1.105, F.A.C.

(5) through (8) No change

~~(9) Except as otherwise provided in paragraph (b) of subsection (1), labor and materials used in this state in the performance of repair contracts on aircraft belonging to foreign governments are taxable unless exempt by treaty. If it is contended that there is such a treaty, it will be necessary for the taxpayer to furnish the Department of Revenue with a certificate signed by the Secretary of State of the United States to the effect that such a treaty exists.~~

(10) through (14) renumbered (9) through (13) No change

~~(14) (15) The~~ Except as otherwise provided in paragraph (b) of subsection (1), the total charges for repairing tangible personal property requiring welding or , soldering, ~~etc.~~, are taxable.

(16) through (18) renumbered (15) through (17) No change

*Rulemaking Authority ~~212.17(6), 212.18(2), 213.06(1) FS. Law Implemented 212.02(4), (15), (16), (17), (20), 212.05(1), 212.06(1), (2), (5)(a)1., 212.08(7)(v), 212.21(2) FS. History—New 10-7-68, Amended 6-16-72, 12-11-74, 12-31-81, Formerly 12A-1.06, Amended 7-7-92, 10-17-94, XX-XX-XX.~~*

#### **12A-1.007 Aircraft, Boats, Mobile Homes, and Motor Vehicles.**

(1) through (9) No change

(10) Aircraft.

(a) through (e) No change

(f)1. All charges for aircraft modification services, including parts, equipment, and labor furnished or installed in connection therewith, performed under authority of a supplemental type certificate issued by the Federal Aviation Administration, as provided in 14 C.F.R. Part 21, Subpart E – Supplemental Type Certificate, are exempt.

a. The aircraft modifications subject to this exemption are those which introduce a major change in type of design not great enough to require a new application for a type certificate, as provided contemplated by Aeronautics and Space, 14 C.F.R. § ~~8-~~ 21.113 (March 5, 2018), effective January 1, 2020, and hereby incorporated by reference ([http://www.flrules.org/Gateway/reference.asp?No=Ref-\\_\\_\\_](http://www.flrules.org/Gateway/reference.asp?No=Ref-___)) (1987).

b. The term “supplemental type certificate” is that certificate described in 14 C.F.R. § 21.113 (2018) , ~~Part 21.~~

~~2. Except as otherwise provided in subsection 12A-1.006(9), F.A.C., and paragraphs (10)(e) and (k) of this rule, all other parts, equipment, and labor not furnished or installed in connection with a major change which requires the issuance of a supplemental type certificate and the issuance of FAA Form 337 are taxable. Examples of taxable items include parts, equipment, and labor furnished or installed in connection with an air worthiness directive, major repair, alteration (not designated as a major change), rebuilding, maintenance, or preventative maintenance.~~

~~2. 3. To document this exemption, the purchaser of the~~ The burden of proof of entitlement is on the person who claims the exemption provided in subparagraph 1. To assure that a qualifying modification and the business that performed the modification must maintain, in its books and records, is recognized by the Executive Director or the Executive Director's designee in the responsible program as exempt, copies of the FAA supplemental type certificate and FAA Form 337 containing a description of the major change, signed by a holder of an FAA inspection authorization, should be retained in the records of the business that performed it, a copy retained by the purchaser of the major change, and another copy of that form should be mailed to:

Florida Department of Revenue

General Tax Administration MS-1-2800

P.O. Box 6417

Tallahassee, Florida 32314-6417.

(g) through (i) No change

(j) Labor ~~Effective October 1, 1994, separately stated labor~~ charges for the repair and maintenance of aircraft with a maximum certified take-off weight that exceeds 2,000 or more than 20,000 pounds, including rotary wing aircraft, and charges for replacement engines, parts, or equipment used and installed on such aircraft being repaired or maintained in Florida are exempt. Dealers must document tax-exempt repairs or maintenance by including the maximum certified take-off weight of the aircraft on the bill of sale, invoice, or other tangible evidence of sale. ~~but the charges for parts and equipment furnished in connection with such labor charges remain taxable, unless exempt under paragraphs (d) or (f) above, or in subsection 12A-1.006(9), F.A.C. If the charges for labor are not separately stated on the customer's invoice, then the entire charge for the repair or maintenance is taxable, unless the repairman (dealer) can establish by evidence in the dealer's records that the dealer furnished no parts or equipment which were incorporated into or attached to the aircraft. See paragraph 12A-1.006(1)(b), F.A.C.~~

(11) through (28) No change

*Rulemaking Authority ~~212.05(1)~~, 212.18(2), 213.06(1) FS. Law Implemented 212.03, 212.05(1), 212.06(1), (2), (4), (5), (7), (8), (10), (12), 212.0601, 212.07(2), (7), 212.08(5)(i), (7)(t), (aa), (ee), (rr), (10), (11), 212.12(2), (12), 213.255(2), (3), 213.35, 215.26(2), 681.104 FS. History—New 10-7-68, Amended 1-7-70, 1-17-71, 6-16-72, 8-18-73, 12-11-74, 6-9-76, 2-21-77, 5-10-77, 9-26-77, 9-28-78, 3-16-80, 12-31-81, 7-20-82, 10-13-83, Formerly 12A-1.07, Amended 1-2-89, 12-11-89, 3-17-93, 10-17-94, 3-20-96, 4-2-00, 6-19-01, 8-1-02, 8-1-02, 4-17-03, 4-17-03 9-28-04, 1-11-16, 1-8-19, 12-31-20, XX-XX-XX.*

Substantial rewording of Rule 12A-1.032 follows. See Florida Administrative Code for present text.

#### **12A-1.032 Computer Software.**

The charge for a customized software package is construed to be a service and is not subject to tax. Retail sales of prepackaged software sold in a tangible form, where the programs are fully useable by the customer without modifications, are taxable as sales of tangible personal property. However, where the vendor, at the customer's request, modifies or alters a prepackaged program to the customer's specification and charges the customer for a single transaction, the charge is for a customized software package and is not subject to tax.

*Rulemaking Authority 212.18(2), 213.06(1) FS. Law Implemented ~~212.02(15), (16)~~, 212.05(1)(a) ~~(3), (4)~~, 212.08(7)(v) FS. History—New 12-11-74, Amended 5-10-77, 6-29-80, Formerly 12A-1.32. Amended XX-XX-XX.*

The following version of Rule 12A-1.032, F.A.C., is the current rule with coded text.

#### **12A-1.032 Computer Software. ~~Computers and Related Systems~~.**

(1) ~~Computer “hardware” is defined as the machine and all of its components. Computer “software” is the programming needed to make computers operate.~~

(2) ~~The sale to a consumer of a computer and its related components is taxable when delivered to a customer in this state. The rental of a computer and its related components, including terminal equipment (hardware) which is physically located in this state, is taxable.~~

(3) ~~When computers are accessed by customers through terminal devices which are connected to the computer, each customer is in effect using a portion of the computer. A customer is able to compile programs, provide a variety of computations, have computational results printed out on his terminal and keep data stored within the computer file for future use. This produces basically the same results as if the customer had processed the same data~~

on his own computer; i.e., the customer performs the tasks of entering data into the computer and all processing is accomplished under his control. The charge for such use of the computer may include, among other things:

- (a) Average amount of computer storage used.
- (b) Computations performed by the computer.
- (c) Time connected to the computer.

The above is sometimes referred to as "Time-Sharing Plan" and such charges are construed to be the rental of the computer, not service charges, and are taxable when the computer is physically located in this state. When the computer is located outside this state, the rental of the computer is not taxable.

(4) The charge which a computer technician makes for a customized software package which includes such items as instructional material, pre-punched cards or programmed tapes is construed to be a service and is not subject to tax charge and exempt. Retail sales of prepackaged software sold in a tangible form ~~pre-packaged programs for use with audio/visual equipment or other computer equipment~~, where the programs are fully useable by the customer without modifications and the vendor does not perform a detailed analysis of the customer's requirements in selecting or preparing the programs, are taxable as sales of tangible personal property. However, where the vendor, at the customer's request, modifies or alters a prepackaged ~~pre-packaged~~ program to the customer's specification and charges the customer for a single transaction, the charge is for a customized software package and is not subject to tax and is exempt as a service transaction.

(5) When a computer technician surveys a customer's needs and as a result makes recommendations which may include instructional material, diagrams and layouts, a software package, including pre-punched cards or programmed tapes, the charge made is construed to be for professional services and is exempt.

(6) When a Service Bureau performs a bookkeeping service for a client, such as keeping a set of records and the furnishing of financial statements, payrolls, tax reports, accounts receivable and accounts payable statements, etc., the charge therefor is for a professional service and is exempt. The various statements furnished are construed to be sales as inconsequential elements for which no separate charges are made.

(7) Blank key-punch cards and blank magnetic tapes are tangible personal property and are taxable when purchased by a customer who will use them in programming his own computer or when purchased by a computer technician or Service Bureau who uses them in developing a software package for a customer. The charge made for key-punching cards furnished by a customer is a service charge and is exempt.

Rulemaking Authority 212.18(2), 213.06(1) FS. Law Implemented ~~212.02(15), (16)~~, 212.05 (1)(a), ~~(3), (4)~~, 212.08(7)(v) FS. History—New 12-11-74, Amended 5-10-77, 6-29-80, Formerly 12A-1.32. Amended XX-XX-XX.

**12A-1.044 Vending Machines.**

(1) through (3) No change

(4) Purchases or leases of vending machines.

(a) through (c) No change

~~(5) Lease or license to use real property; direct pay authority.~~

~~(a) If the machine owner is also the operator and the operator places the machine at another person's location, the arrangement between the machine operator and location owner is a lease or license to use real property. The location owner shall collect the tax from the machine operator on the amount the location owner receives for the lease or license to use the real property. The tax must be separately stated from the amount of the lease or license payment.~~

~~(d) (b) The purchase of machines, machine parts and repairs, and replacements thereof that become a component part of the machine, by the machine owner operator (owner) is taxable. The machine operator should pay the sales tax to the seller of these items at the time of purchase.~~

~~(5) (e) No change; renumbered from (5)(c) to (5)~~

(6) through (7) No change

Rulemaking Authority 212.0515, 212.18(2), 213.06(1) FS. Law Implemented ~~212.02(10)(g), (14), (15), (16), (19), (24)~~, 212.031, 212.05(1)(h), 212.0515, 212.054(1), (2), (3)(l), 212.055, 212.07(1), (2), 212.08(1), (7), (8), 212.11(1), 212.12(2), (3), (4), (9), 212.18(2), (3) FS. History—New 10-7-68, Amended 6-16-72, 1-10-78, 7-20-82, Formerly 12A-1.44, Amended 12-13-88, 5-11-92, 3-17-93, 9-14-93, 12-13-94, 3-20-96, 7-1-99, 6-19-01, 11-1-05, 1-12-11, 5-9-13, 1-17-18, XX-XX-XX.

**12A-1.111 Department of Revenue Electronic Database**

(1) Florida's Address/Jurisdiction Database.

(a) The Department maintains an electronic database that assigns addresses to counties in a format that satisfies the requirements of Section 212.181, F.S. The electronic database, referred to as Florida's Address/Jurisdiction Database, is maintained on the Department's website at [pointmatch.floridarevenue.com](http://pointmatch.floridarevenue.com).

1. For each certificate of registration issued by the Department, the place of business will be assigned to a county based on the location address provided by the business at the time of registration or when the Department is notified of a change in a business location address.

2. Submissions made by counties that impose a tourist development tax in a subcounty special district, which is then remitted to the Department, must identify the subcounty special district addresses to which the tourist development tax applies.

(b) An updated Address/Jurisdiction Database is posted to the Department's website 90 days prior to adoption of the Address/Jurisdiction Database. The updated Address/Jurisdiction Database is adopted and becomes effective every January 1 or July 1. References to the effective Address/Jurisdiction Database refer to the official database that is available on the website, which was adopted the previous January 1 or July 1. The effective Address/Jurisdiction Database is available for downloading and does not include the information contained in the pending files described in subparagraph (1)(b)1.

1. When a change to the Address/Jurisdiction Database has been approved, the approved pending address additions and approved pending address deletions are stored in separate files until they are included in the next scheduled update of the database. These pending files include all changes since the most recent update, including changes to jurisdictional boundaries.

2. The single address lookup feature permits any person to enter an address to identify the county to which it is assigned. The individual address lookup feature in the electronic database searches within the current database, as well as the pending files, and may reflect information not yet incorporated into the database available for download. In such cases, the individual address lookup page displays a statement indicating the page reflects a pending change to the database.

3. The availability and effective dates of the updated Address/Jurisdiction Database are published in the Florida Administrative Register. The updated Address/Jurisdiction Database incorporates the corrections of any errors discovered since the previous update, as well as changes in addresses or county assignments based on information

provided by counties. Each update of the Address/Jurisdiction Database is posted on the Department's website at least 90 days prior to publication and is also available for download.

(c) To fulfill its statutory responsibility to maintain the database, when the Department notices apparent errors, the Department will initiate an objection to the database in accordance with the provisions of subsection (4) and will process the objection in the same manner in which other objections are processed.

(2) Updating Florida's Address/Jurisdiction Database.

(a) Counties contribute to maintaining the Address/Jurisdiction Database by providing the Department with updated information, such as changes in addresses or address ranges along with the county assignment and any other changes, using Form DR-700022, Notification of Changes to the Address/Jurisdiction Database (incorporated by reference in Rule 12A-19.100, F.A.C.). Counties must provide to the Department the names of the county officers or employees authorized to act as contact persons regarding database matters. Counties may provide updated contact information as frequently as necessary to ensure that the appropriate contact person can be reached regarding database matters.

(b) Counties may submit a change request to the Address/Jurisdiction Database electronically, using instructions in Form DR-700002, User's Guide for the Address/Jurisdiction Database (incorporated by reference in Rule 12A-19.071, F.A.C.), available at [pointmatch.floridarevenue.com](http://pointmatch.floridarevenue.com). Any requested changes or additions to the Address/Jurisdiction Database must be supported by competent evidence as outlined in subsection (3).

(c) If a county does not have address updates, the county may indicate no changes by submitting Form DR-700023, Notification of No Change to the Address/Jurisdiction Database for Sales and Use Tax, effective 8/20; hereby incorporated by reference (<http://www.flrules.org/Gateway/reference.asp?No=Ref-> ); copies of this form can be downloaded from the Department's website at [floridarevenue.com/forms](http://floridarevenue.com/forms).

(d)1. The county must specify the effective date, either January 1 or July 1, of any information to be incorporated in the Address/Jurisdiction Database. For a January 1 effective date, changes must be submitted no later than September 3, and for a July 1 effective date, changes must be submitted no later than March 3.

2. Counties may not submit changes between September 4 to October 3 and March 4 to April 2. The Department completes its review of pending submissions for the next database update during these periods and is unable to process new submissions. Submissions of new information during these time periods will be denied and must be submitted after the review period.



3. The Department will review the information provided in the requests for change and store the approved changes in the approved pending files.

(3) Competent Evidence.

(a) Competent evidence to support a change to the Address/Jurisdiction Database is documentation establishing that the addresses affected by the requested change or addition are located in the county indicated. Examples of competent evidence include articles of incorporation of a new municipality, the plat filed for a newly approved subdivision, or the enhanced 911 Master Street Address Guide (MSAG) database information relating to local law enforcement responders. Competent evidence must clearly identify the affected addresses or address ranges.

(b) If a requested change is to move an address from one county or jurisdiction to another county or jurisdiction, competent evidence includes the consent of the county or jurisdiction that did not request the change.

1. To facilitate processing the change, the county requesting the change should attempt to obtain written consent from an authorized contact person of the nonrequesting county or jurisdiction. Form DR-700022 contains an authorization statement that will serve as the written consent of the nonrequesting county or jurisdiction when signed by that county's or jurisdiction's authorized contact person. The Department will consider the receipt of Form DR-700022, containing the signatures of both authorized contact persons of the requesting and nonrequesting county or jurisdiction, to be sufficient competent evidence. In such instances, the Department will make the change based upon the submitted form.

2. If the requesting county or jurisdiction has not obtained the written consent of the nonrequesting county or jurisdiction, the Department will contact the nonrequesting county or jurisdiction before making the change. Based upon the response of the nonrequesting county or jurisdiction, the Department will take one of the following actions in regard to the requested change:

a. If the nonrequesting county or jurisdiction provides written consent to the Department, then the Department will process the change.

b. If the nonrequesting county or jurisdiction objects in writing, the Department will treat the requested change as one that must be resolved by the counties and jurisdictions involved as provided in paragraph (4)(d).

c. If the nonrequesting county or jurisdiction fails to either consent or object in writing within 20 days after the date on which the Department notified that county or jurisdiction of the requested change, the Department will

accept and process the change. This will not prevent the nonrequesting county or jurisdiction from subsequently submitting requests to change the new address assignments after they have been processed.

3. A county or jurisdiction that objects to proposed changes should use Form DR-700022 to change the address information and, unless the affected county or jurisdiction signs the form, the Department will treat the request as one that must be resolved by the counties involved as provided in paragraph (4)(d).

(c) If a requested change affects only the requesting county and does not affect another county or jurisdiction, the Department will consider receipt of an affidavit signed by the authorized contact person, identifying the addresses or address ranges and stating that the change affects only the requesting county, to be sufficient competent evidence. The use of an affidavit is not required but, at the option of the requesting county or jurisdiction, may be used instead of providing other documentation. In such instances, the Department will make the change based upon the representations on the form and the affidavit.

(d) Example. A county approves the plat and grants the permits necessary for development of a new outdoor mall on February 1, 2021. The plat indicates street names, but address numbers have not yet been assigned. In order for the addresses to be added to the electronic database effective the following July 1, the county must file Form DR-700022 with a copy of the approved outdoor mall plat or an affidavit indicating that the change affects only the requesting county and submit online address change information by March 3, 2021. If that deadline is not met, the earliest date on which the new service addresses can be added to the database is January 1, 2022. In order to meet the deadline and be certain that the actual address numbers are included, the contact person for the county may request the addition of a range of numbers that is certain to include the actual numbers. Because the development of the outdoor mall affects only the requesting county, no consent from any other county is required.

(4) Objection to Address Assignment in Florida's Address/Jurisdiction Database.

(a) Any substantially affected party, may object to information contained in the Address/Jurisdiction Database by submitting Form DR-700025, Objection to Address Assignment in the Address/Jurisdiction Database (incorporated by reference in Rule 12A-19.100, F.A.C.), along with competent evidence to support the party's objection. Examples of substantially affected parties include individuals who purchase taxable items and pay local discretionary sales surtax, dealers who are required to collect sales tax and surtax, dealers who are required to collect tourist development taxes, and the Department of Revenue.

1. Only objections to the effective Address/Jurisdiction Database will be considered; objections to the pending Address/Jurisdiction Database will be denied.

2. Before submitting an objection, a person should check the effective Address/Jurisdiction Database to determine whether the contemplated objection is necessary.

(b) Examples of competent evidence are stated in paragraph (3)(a). The Department will notify the substantially affected party of any deficiencies in the objection or competent evidence.

(c) When the Department believes that addresses or address ranges have been assigned to an incorrect county or jurisdiction, the Department will initiate the change by using Form DR-700025. The Department will use any information at its disposal, including enhanced 911 MSAG database address information and information supplied by any dealer, as a basis for initiating an objection; however, in no event will the Department change any address assignment without providing notice to the affected counties and jurisdictions in the manner provided in paragraph (3)(b). If the change is approved, it will be included in the pending files with other approved changes for inclusion in the next update of the database.

(d) Upon receipt of a completed Form DR-700025, including competent evidence to support the objection, the Department will forward copies of the form, along with the associated documentation, to the database contact person in each affected county or jurisdiction.

1. The Department will provide Form DR-700026, Local Government Authorization for Address Changes Described on Form DR-700025 (incorporated by reference in Rule 12A-19.100, F.A.C.), so the affected counties or jurisdictions may agree, disagree, or partially agree with the address county changes proposed by the completed Form DR-700025.

2. The Department will provide Form DR-700027, Local Government Authorization for Omission of Address or Incorrect Address Identification (incorporated by reference in Rule 12A-19.100, F.A.C.), so the affected counties or jurisdictions may agree or disagree with the inclusion of an address or address range or with changing nonjurisdictional information about an address or address range proposed by the completed Form DR-700025.

3. In case the forms become separated, the Department will include on the bottom portion of each form the same tracking number and date to identify which forms belong together. The Department will, when practicable, provide the information electronically for review by the counties or jurisdictions. These forms will not be sent to the counties or jurisdictions between February 1 and April 2 or between August 4 and October 3 due to the inability of

counties or jurisdictions to make online changes during the updating and posting of the next effective Address/Jurisdiction Database.

4. The counties or jurisdictions should review the specific address(es) at issue as well as the address range(s) that will be impacted by the change to ensure that each county or jurisdiction retains all of the addresses it believes are within its county or jurisdictional boundaries.

5. The Department will instruct each county or jurisdiction to indicate, in writing, its determination in regard to the objection by completing the provided authorization form (either Form DR-700026 or Form DR-700027) and filing the form with the Department. If the affected counties or jurisdictions both indicate agreement with the objection, the Department will revise the electronic database accordingly.

6. If a county or jurisdiction fails to respond within a reasonable time, which shall be no less than 30 days, such county or jurisdiction shall be deemed to have indicated agreement with the objection. If either the affected county or jurisdiction notifies the Department in writing that it does not agree with the objection, the Department will not change the address in the database.

7. The address will be reassigned to a county or jurisdiction when one of the following events occurs:

a. The Department receives written notification from the county or jurisdiction that did not agree with the change requested in the objection that such county or jurisdiction has subsequently determined that the change should be made.

b. The Department receives written notification from the party that filed the Form DR-700025 that the objection was erroneous and the assignment in the database was correct.

c. The Department is provided with a copy of a final order, judgment, or other binding written determination resolving the county or jurisdictional assignment of the contested address.

Rulemaking Authority 212.181(4), 213.06(1) FS. Law Implemented 202.22(2), 212.181 FS. History-New XX-XX-XX.