

Florida Department of Revenue

Tax Information Publication

TIP 98A01-16

DATE ISSUED: Jul 02, 1998

**ALTERNATIVE METHOD OF CALCULATING ESTIMATED TAX  
FOR BOAT, MOTOR VEHICLE, AND AIRCRAFT DEALERS**

**Alternative Method for 1999 Estimated Sales Tax Payment**

Boat, motor vehicle, and aircraft dealers have an alternative method available for calculating and paying their estimated sales tax. This method is first used to calculate Line 9 (estimated payment for January 1999) on the December 1998 Sales and Use Tax Return (Form DR-15).

**Who Qualifies?**

To qualify for the alternative estimated sales tax method, a dealer must have made at least one sale of a boat, motor vehicle, or aircraft with a selling price of \$100,000 or more in the previous state fiscal year. The state fiscal year is from July 1st through June 30th.

**How To Apply**

Dealers must apply before October 1st each year and be approved by the Department to use this alternative method. To apply, complete and mail the enclosed Boat, Motor Vehicle, or Aircraft Dealers Application for Special Estimation of Taxes (Form DR-300400) to:

FLORIDA DEPARTMENT OF REVENUE  
RETURN RECONCILIATION  
5050 W TENNESSEE STREET  
TALLAHASSEE, FL 32399-0100

**Alternative Method of Calculating Estimated Tax**

In addition to filing Form DR-15, dealers approved to use the

alternative method will be required to:

- \* pay estimated tax every month based on 66% of their average tax liability for all sales, **excluding the sale of each boat, aircraft, or motor vehicle with a sales price of \$100,000 or more during the previous state fiscal year;**  
**and,**
- \* pay the sales tax for each sale of a boat, motor vehicle, or aircraft with a sales price of \$100,000 or more, by:
  - \* electronic funds transfer initiated **on** the date of the sale; or,
  - \* check submitted with a Single Transaction Sales and Use Tax Return (Form DR-300415) postmarked **on** the date of the sale.

**SPECIAL NOTE: If approved to use the alternative method described above, dealers will be required to pay estimated tax using ONLY this method for each month of the entire calendar year.**

#### **Alternative Estimated Tax Calculation Example**

A yacht dealer reported taxable sales in the prior state fiscal year of \$3,000,000. Three boats were sold for prices more than \$100,000 each, for a total of \$600,000. The net sales were \$2,400,000.

A. Taxable sales (prior fiscal year)	\$3,000,000
B. Less total of all individual sales of \$100,000 or more	(\$600,000)
C. Net sales	\$2,400,000
D. Total tax due (6% of Line C)	\$144,000
E. Divide the amount on Line D by 12	\$12,000

F. Monthly estimated tax (66% of Line E)      \$7,920

### **Penalty and Interest**

Failure to timely pay estimated tax using the alternative method and/or any tax due on a transaction of \$100,000 or more on the date of sale will result in:

- \* a specific underpayment of estimated tax penalty of 10% of the underpayment; and,
- \* a delinquency penalty of 10 % of the tax due for each 30 days, or fraction thereof, for which the tax is delinquent; and,
- \* interest of 1% per month (prorated daily) on the delinquent tax due will be calculated starting on the 21st day of the month following the month for which the tax is due.

### **FOR MORE INFORMATION**

**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.**

**For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.**

**Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.**

**For a detailed written response to your questions, write the Florida Department of Revenue, PO Box 7443, Tallahassee, FL 32314-7443.**

**Also, visit our Web site at <http://sun6.dms.state.fl.us/dor/> for forms and other information.**

**Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676,  
twenty-four hours a day, seven days a week using your fax  
machine handset and follow the instructions.**

**References:**

s.212.11(4)(d), F.S.

Ch. 97-221, L.O.F. (CS/HB 915)