

TIP 98A01-19

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**SALES TAX FILING STATUS CHANGES
BEGINNING JANUARY 1999
(ESTIMATED TAX FOR NONCONSOLIDATED ACCOUNTS)**

Florida law requires dealers who paid sales and use tax in excess of \$100,000 for the previous state fiscal year to make estimated tax payments. Your total sales and use tax liability, for all sales and use tax accounts (list enclosed) which have the same Federal Employer Identification Number (FEIN) or same Social Security Number (SSN), reached \$100,000 for the period July 1, 1997 through June 30, 1998. You are required to make estimated tax payments beginning with your December 1998 returns. These estimated tax payments are for the January 1999 collection period.

Beginning January 1999, you must make sales and use tax payments by Electronic Funds Transfer (EFT). Additionally, all sales and use tax EFT payers must file their returns by Electronic Data Interchange (EDI). Therefore, you must:

- * **make estimated sales and use tax payments beginning with your December 1998 returns;**
- * **make sales and use tax payments electronically beginning with your January 1999 returns; and,**
- * **file sales and use tax returns electronically beginning with your January 1999 returns.**

PAYMENT AND RETURN DUE DATES

Estimated Payments

Your first 1999 estimated tax payments are due on Line 9 of your

December 1998 returns. These returns are due on January 1, 1999, and are late after January 20, 1999. (If you are currently paying electronically, your payments must be initiated on or before January 19, 1999.)

You will record the estimated tax payments made on the December 1998 returns (Line 9) on Line 8 of your January 1999 returns. You must continue to make estimated tax payments throughout 1999.

EFT Payments and EDI Returns

EFT payments and EDI returns are required for your January 1999 returns. Your EFT payments are due February 1, 1999, and must be initiated no later than 3:45 p.m., ET, on February 19, 1999. Your EDI returns are also due February 1, 1999, and the electronic date stamp on the returns must be on or before February 22, 1999 (February 20th is a Saturday). Note: You must continue to make electronic payments and filings throughout 1999.

CONSOLIDATED FILING METHOD

Each dealer who operates two or more places of business and maintains records for these businesses in a central office or place is eligible to file a consolidated return. When filing a consolidated return with supporting documentation for each location, only one electronic transmission and payment is necessary. If you would like to begin filing a consolidated return, complete the enclosed Application for Consolidated Sales & Use Tax Registration (Form DR-1CON) and return it to the Department.

HOW TO CALCULATE ESTIMATED TAX

Estimate your payment using Line 7 (TOTAL TAX DUE) on your sales and use tax return. Use **one** of these methods each month to calculate the estimated tax due:

- * **66% of Monthly Average** - Look at each of your monthly

1998 (January 1 through December 31) sales and use tax returns (Form DR-15). Add together the amounts from Line 7 (TOTAL TAX DUE) on each return. To calculate the monthly average, divide the total only by the number of 1998 returns with tax due. Multiply this average by .66 and put the result on Line 9 of your December 1998 return.

- * **66% of Same Month/Previous Year** - Look at your January 1998 sales and use tax return (Form DR-15). Multiply the amount from Line 7 (TOTAL TAX DUE) by .66 and put the result on Line 9 of your December 1998 return.

- * **66% of Current Month** - Estimate the amount of sales and use tax you will collect during January 1999. Multiply that amount by .66 and put the result on Line 9 of your December 1998 return.

DO NOT UNDERESTIMATE. Underpayment of estimated tax will subject you to penalty and interest.

YOU MUST PAY TAX ELECTRONICALLY

Your sales and use tax payments, including estimated tax, must be made by Electronic Funds Transfer (EFT) beginning with your January 1999 return. You must complete the enclosed Registration-Authorization Form (Form DR-600F) for 1999 and return it to the Department no later than November 10, 1998. If you choose NOT to consolidate, you must complete a separate DR-600F for each sales tax account.

YOU MUST FILE TAX RETURNS ELECTRONICALLY

Your sales and use tax returns, including estimated tax, must be filed by Electronic Data Interchange (EDI) beginning with your January 1999 return. You must complete the enclosed Electronic Filing Agreement (Form DR-653) and mail it to the Department no later than November 10, 1998. If you have a valid business reason for not filing your 1999 returns electronically, you must apply for a waiver for each account by completing an EDI Waiver Request Form (Form DR-654) and mailing it to the Department with

a copy of the enclosed list of accounts.

FAILURE TO COMPLY

If you fail to correctly make payments of sales and use tax electronically, the Department **must** impose penalty and interest. This failure will also result in the **loss** of your collection allowance.

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

ss. 212.11 and 212.12, F.S.