

TIP 99A01-19

DATE ISSUED: Jul 06, 1999

ESTIMATED SALES TAX FILING STATUS CHANGES

Effective January 1, 2000, beginning with your **December 1999 return**, the threshold for paying estimated tax is increased from \$100,000 to \$200,000. Dealers who have sales and use tax liability of \$200,000 or more for the preceding state fiscal year (July 1st through June 30th) must make monthly estimated tax payments the following calendar year. If your total sales and use tax liability does not reach \$200,000 for the state fiscal year, you will not be required to make estimated tax payments for the following calendar year. You must determine each year whether or not you are required to make estimated tax payments.

Also, effective January 1, 2000, beginning with your **December 1999 return**, the factor used to calculate the estimated tax payment is reduced from 66% to 60%. Beginning with the **December 1999 return**, estimated tax payments must be calculated using the new factor of 60%.

If, because of this change, you are not required to make estimated tax payments in 2000, your last estimated tax payment for 1999 will be on your **November 1999 return**, due on December 1, 1999, and late after December 20, 1999.

The Electronic Funds Transfer (EFT) and Electronic Data Interchange (EDI) requirements have not changed.

ESTIMATED PAYMENTS

If you are required to make estimated tax payments, your first estimated tax payment for the year 2000 is reported on Line 9 of your **December 1999 return**. This return is due on January 1, 2000, and late after January 20, 2000. Your EFT must be initiated on or before January 19, 2000, no later than 3:45

p.m., ET.

Record the estimated tax payment made on Line 9 of your **December 1999 return** on Line 8 of your January 2000 return. If you meet the above threshold for estimated tax you are required to make monthly estimated payments throughout the year 2000.

You must determine each year whether you are required to make estimated tax payments.

HOW TO CALCULATE ESTIMATED TAX

Compute your estimated tax liability by one of the following methods:

* **60% of Last Year's Monthly Average** - Calculate 60% of your average sales tax liability for those months during the previous calendar year that you reported taxable transactions. **Example:** When completing your **December 1999 return**, calculate your average sales tax liability for the 1999 calendar year. To calculate your average, complete the following steps:

1. Review all of your 1999 sales tax returns (including December 1999);
2. Add together the amount of Line 7 (minus any discretionary sales surtax) for all 1999 returns;
3. Divide the total of all Line 7 amounts by the number of returns filed with tax due on Line 7. This is your 1999 average sales tax liability;
4. Multiply 1999 average sales tax liability by 60%;
5. Enter that amount on Line 9.

* **60% of Same Month Previous Year** - Calculate 60% of your sales tax liability for the same month of the previous calendar year.

Example: When completing your December 1999 return, look at your January 1999 return and multiply the amount from Line 7 (minus any discretionary sales surtax) by 60%. Enter that amount on Line 9.

- * **60% of Current Month** - Calculate 60% of your sales tax liability for the collection period following this return.

Example: When completing your December 1999 return, your estimated tax liability is 60% of your sales tax liability (minus any discretionary sales surtax) for the January 2000 return. Enter that amount on Line 9.

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

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, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

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

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

Ch. 99-239, L.O.F.

ss. 212.11 and 212.12, F.S.