

Florida Department of Revenue
Tax Information Publication

TIP 05A01-01
Date Issued: May 10, 2005

Hurricane Preparedness Sales Tax Holiday
June 1, 2005, through June 12, 2005

Florida law provides that no sales tax or discretionary sales surtax (also known as a local option sales tax) will be collected on the sale or purchase of certain items related to hurricane preparedness for the first 12 days of the 2005 hurricane season. This special sales tax holiday will begin at 12:01 a.m., June 1, 2005, and will end at midnight, June 12, 2005.

This special sales tax holiday **DOES NOT** apply to clothing, books, or school supplies.

The sales tax exemption applies to each eligible item regardless of the number of items sold on the same invoice to a customer. If the sales price of a qualifying item exceeds the allowable threshold amount, this exemption will not apply. The exemption **DOES NOT** apply to the leasing of a qualified item.

The following items are specifically identified as being eligible for this special sales tax holiday for hurricane preparedness:

Qualifying items selling for \$20 or less:

- Any portable self-powered light source
- Battery-powered flashlights
- Battery-powered lanterns
- Gas-powered lanterns
- Candles

Qualifying items selling for \$25 or less:

- Any gas or diesel fuel container

Qualifying items selling for \$30 or less:

- Batteries, including rechargeable
(listed sizes **only**)
 - AA-cell
 - C-cell
 - D-cell
 - 6-volt (excluding automobile and boat batteries)
 - 9-volt (excluding automobile and boat batteries)

Coolers (food-storage; non-electrical)

Ice chests (food-storage; non-electrical)

First aid kits (first aid kits are always exempt from sales tax, regardless of the sales price)

Qualifying items selling for \$50 or less:

Radios (self-powered or battery-powered)

Two-way radios (self-powered or battery-powered)

Weather band radios (self-powered or battery-powered)

Tarpaulins (tarps)

Flexible waterproof sheeting (visqueen)

Ground anchor systems

Tie-down kits

Qualifying item selling for \$750 or less:

Portable generator that will be used to provide light or communications, or to preserve perishable food in the event of a power outage due to a hurricane.

Note:

Battery-powered or gas-powered light sources and qualifying portable self-powered radios will qualify for the exemption even though they may have electrical cords.

**Applying the Hurricane Preparedness
Sales Tax Holiday**

Articles that are normally sold as a unit must continue to be sold in that manner; they cannot be separated and sold as individual items in order to obtain the exemption.

Example 1: A multi-battery package sells for \$35. The package contains an assortment of AA, C, and D cell batteries. The battery package cannot be rung up at the register as separate items to reduce the sales price in an attempt to qualify for the exemption.

Example 2: A ground tie-down kit with 4 tie-downs and related accessories sells for \$100. The kit cannot be rung up as 4 different packages in order for each to qualify for the exemption.

When exempt items are normally sold together with taxable items as a single set or single unit, the full price is subject to sales tax.

Example 1: Four AA rechargeable batteries are sold in a kit with a charger for \$25. Although the batteries if sold separately would qualify for this exemption, the charger would **NOT**. The full selling price of \$25 is taxable.

Example 2: A flashlight is sold with a travel mug as a kit. Although the flashlight if sold separately would qualify for the exemption, the travel mug would **NOT**. The full selling price of the flashlight and mug kit is taxable.

The total price of items advertised as "**buy one, get one free**," or "buy one, get one for a reduced price," cannot be averaged together in order for both items to qualify for the exemption.

The sale of a **gift certificate** is not taxable. Eligible items purchased during the exemption period using a gift certificate will still qualify for the exemption, regardless of when the gift certificate was purchased. Eligible items purchased after the exemption period using a gift certificate are **taxable** even if the gift certificate was purchased during the exemption period. A gift certificate **CANNOT** be used to reduce the selling price of an item in order to qualify for the exemption.

When a customer purchases a qualifying item during the exemption period, then later **exchanges** the item for the same item (different size, different color, etc.), no tax will be due even if the exchange is made after the exemption period.

When a customer uses a **store credit** during the exemption period on qualified tax-exempt items, the purchase will be exempt from sales tax. When a customer uses a store credit issued during the exemption period and the tax-exempt period has expired, the appropriate sales tax will apply to the full sales price of the newly purchased item.

A customer who pays sales tax to a retailer on a qualifying item when no tax is due must secure a **refund** of the tax from the retailer and not from the Department of Revenue.

When a customer **returns** a qualifying item during the period of June 1, 2005, through August 31, 2005, and wants a refund/credit of tax:

The customer must produce a receipt or invoice showing tax was paid on the original purchase of the qualifying item, **or**

The retailer must have sufficient documentation to show that tax was paid on the original purchase of the qualifying item.

Manufacturer's coupons do not reduce the sales price of an item. Therefore, a manufacturer's coupon cannot be used to reduce the selling price of a qualifying item in order for the item to qualify for the exemption.

Store coupons and discounts reduce the sales price of an item. Therefore, a store coupon or discount can be used to reduce the sales price of a qualifying item to the qualifying amount in order to qualify for the exemption.

Rebates occur after the sale and do not affect the sales price of an item purchased.

Eligible items purchased during the exemption period using a **rain check** will qualify for the exemption regardless of when the rain check was issued. However, issuance of a rain check during the exemption period will not qualify an eligible item for the exemption if the item is actually purchased after the exemption period.

A **layaway** sale is a transaction in which merchandise is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time, and receives the merchandise at the

end of the payment period. For purposes of this exemption, qualified items will be eligible for the exemption if a retailer and a customer enter into a contract for a layaway sale during the exemption period, the customer makes the usual deposit in accordance with the retailer's layaway policy, and the merchandise is segregated from the retailer's inventory. Also, if the final payment on a layaway order is made and the merchandise is given to the customer during the exemption period, that sale of qualified items will be eligible for the exemption, even when the qualified items were placed on layaway before the exemption period.

Rental of any of the items specified in this publication does not qualify for an exemption.

For purposes of this exemption, eligible items purchased by **mail order** (including transactions made over the Internet) will receive the exemption if the order is accepted by the mail-order company during the exemption period for immediate shipment. When the acceptance of the order by the mail-order company occurs during the exemption period, the exemption will apply even if delivery is made after the exemption period.

An order is accepted by the mail-order company when the mail-order company has taken an action to fill the order for immediate shipment. Actions to fill an order include placing an "in-date" stamp on a mail-order or assigning an "order number" to a telephone order.

An order is considered to be for immediate shipment when delayed shipment is not requested by the customer. An order is for immediate shipment notwithstanding that the shipment may be delayed because of a backlog of orders or because stock is currently unavailable to, or on back order by, the company.

Shipping and handling charges are included as part of the sales price of the eligible item, whether or not separately stated. If multiple items are shipped on a single invoice, to determine if any items qualify for the exemption, the shipping and handling charge must be proportionately allocated to each item ordered and separately identified on the invoice.

Repairs to qualifying items do not qualify for the exemption.

For Bay County Dealers Only

Panama City and Panama City Beach impose upon retailers a merchant's license fee or similar gross receipts tax or fee, which may be passed on to the customer. The merchant's license fee is included in the sales price of each item whether or not the fee is separately stated on the invoice.

Example: An ice chest (non-electrical type) sells for \$29.95. The separately stated 1% gross receipts fee for this item is \$0.30. Since the gross receipts fee is part of the sales price of the item (\$30.25), the cost of the ice chest exceeds the allowable cost threshold and, therefore, will not qualify for the tax exemption.

No special record keeping or reporting is necessary. Sales of qualifying hurricane preparedness items that are sold tax exempt from June 1, 2005, through June 12, 2005, should be reported as exempt sales on the appropriate sales tax return for that period. Records should be maintained as currently required by law.

For your convenience, the next page was designed to be removed from this publication. Retailers may copy and post the list of tax-exempt items at store locations to provide customer assistance for customers wanting to make tax-exempt purchases during the Sales Tax Holiday for Hurricane Preparedness.

**Sales Tax Holiday for
Hurricane Preparedness**

June 1 through June 12, 2005

For the period 12:01 a.m., June 1, 2005, through midnight, June 12, 2005, the 2005 Florida Legislature enacted and the Governor approved a tax-free period directing that: No sales tax shall be collected on specific items related to hurricane preparedness. The specific items must be in the price range specified on the list below.

List of tax exempt items

The following is a list of the specified items that will be tax free. If the sales price of a qualifying item exceeds the allowable threshold amount, the tax exemption will not apply.

Qualifying items selling for \$20 or less:

- Any portable self-powered light source
- Battery-powered flashlights
- Battery-powered lanterns
- Gas-powered lanterns
- Candles

Qualifying items selling for \$25 or less:

- Any gas or diesel fuel container

Qualifying items selling for \$30 or less:

- Batteries, including rechargeable (listed sizes only)
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- Ice chests (food-storage; nonelectrical)
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Tarpaulins (tarps)
Flexible waterproof sheeting (visqueen)
Ground anchor systems
Tie-down kits

Qualifying item selling for \$750 or less:

Portable generator that will be used to provide light or communications, or to preserve perishable food in the event of a power outage due to a hurricane.

Note:

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For Information and Forms

Information and forms are available on our Internet site at

www.myflorida.com/dor

To receive forms by mail:

Order multiple copies of forms from our Internet site at www.myflorida.com/dor/forms or

Fax your form request to the DOR Distribution Center at 850-922-2208 or

Call the DOR Distribution Center at 850-488-8422 or

Mail your form request to:

Distribution Center

Florida Department of Revenue

168A Blountstown Hwy

Tallahassee FL 32304-3702

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671 or 850-488-6800.

For a written reply to your tax questions, write:

Taxpayer Services

Florida Department of Revenue

1379 Blountstown Hwy

Tallahassee FL 32304-3716

Persons with hearing or speech impairments may call the TDD line at 800-367-8331 or 850-922-1115.

Department of Revenue service centers host educational seminars about Florida's taxes. To get a schedule of upcoming seminars or to register for one,

Visit us online at www.myflorida.com/dor or

Call the service center nearest you.

Florida Department of Revenue Service Centers

Alachua Service Center

14107 US Highway 441 Ste 100

Alachua FL 32615-6390

386-418-4444 (ET)

Clearwater Service Center

Arbor Shoreline Office Park

19337 US Highway 19 N Ste 200

Clearwater FL 33764-3149

727-538-7400 (ET)

Cocoa Service Center

2428 Clearlake Rd Bldg M

Cocoa FL 32922-5731

321-504-0950 (ET)

Coral Springs Service Center

Florida Sunrise Tower

3111 N University Dr Ste 501

Coral Springs FL 33065-5090

954-346-3000 (ET)

Daytona Beach Service Center

1821 Business Park Blvd

Daytona Beach FL 32114-1230

386-274-6600 (ET)

Fort Myers Service Center

2295 Victoria Ave Ste 270

Fort Myers FL 33901-3871

239-338-2400 (ET)

Fort Pierce Service Center
Benton Building
337 N US Highway 1 Ste 207-B
Fort Pierce FL 34950-4255
772-429-2900 (ET)

Hollywood Service Center
Taft Office Complex
6565 Taft St Ste 300
Hollywood FL 33024-4044
954-967-1000 (ET)

Jacksonville Service Center
921 N Davis St A250
Jacksonville FL 32209-6829
904-359-6070 (ET)

Key West Service Center
3118 Flagler Ave
Key West FL 33040-4602
305-292-6725 (ET)

Lake City Service Center
1401 W US Highway 90 Ste 100
Lake City FL 32055-6123
386-758-0420 (ET)

Lakeland Service Center
230 S Florida Ave Ste 101
Lakeland FL 33801-4625
863-499-2260 (ET)

Leesburg Service Center
1415 S 14th St Ste 103
Leesburg FL 34748-6686
352-315-4470 (ET)

Maitland Service Center
Ste 160
2301 Maitland Center Parkway
Maitland FL 32751-4192
407-475-1200 (ET)

Marianna Service Center
4230 Lafayette St Ste D
Marianna FL 32446-8231
850-482-9518 (CT)

Miami Service Center
8175 NW 12th St Ste 119
Miami FL 33126-1828
305-470-5001 (ET)

Naples Service Center
3073 Horseshoe Dr S Ste 110
Naples FL 34104-6145
239-434-4858 (ET)

Orlando Service Center
AmSouth Bank Building
5401 S Kirkman Rd 5th Floor
Orlando FL 32819-7911
407-903-7350 (ET)

Panama City Service Center
703 W 15th St Ste A
Panama City FL 32401-2238
850-872-4165 (CT)

Pensacola Service Center
3670C N L St
Pensacola FL 32505-5217
850-595-5170 (CT)

Port Richey Service Center
6709 Ridge Rd Ste 300
Port Richey FL 34668-6842
727-841-4407 (ET)

Sarasota Service Center
Sarasota Main Plaza
1991 Main St Ste 240
Sarasota FL 34236-5940
941-361-6001 (ET)

Tallahassee Service Center
2410 Allen Rd
Tallahassee FL 32312-2603
850-488-9719 (ET)

Tampa Service Center
Ste 100
6302 E Martin Luther King Blvd
Tampa FL 33619-1166
813-744-6582 (ET)

West Palm Beach Service Center
2468 Metrocentre Blvd
West Palm Beach FL 33407-3105
561-640-2800 (ET)

CT-Central Time
ET-Eastern Time

For Consolidated Accounts Only

If you are a consolidated filer, only one TIP is being mailed to your business. This will enable you to communicate directly with each of your store locations. Please make certain you notify your individual store locations regarding this sales tax holiday and the specific provisions contained in this TIP.