



## Tax Information Publication

# TIP

No: 16A01-04

Date Issued:  
June 9, 2016

### **Indexed Tax on Asphalt Will Be 75 Cents per Ton For the Period July 1, 2016 through June 30, 2017**

### **Law Change Decreases the Indexed Tax for Use in Government Public Works Projects**

#### **Per-Ton Tax Rate Announcement**

The tax rate used by contractors who manufacture and use asphalt during fiscal year July 1, 2016 through June 30, 2017 is 75 cents per ton. The indexed tax is adjusted on July 1 of each year, using a producer price index published by the United States Department of Labor, Bureau of Labor Statistics.

Effective July 1, 2016, manufactured asphalt used in public works projects of the federal, state, and local governments is subject to a 60 percent reduction to the new tax rate. Contractors using manufactured asphalt in public works projects owe 30 cents per ton on asphalt used in those projects.

Effective July 1, 2017, the indexed tax used in public works projects of the federal, state, and local governments will be reduced by 80 percent of the rate in effect at that time. Beginning July 1, 2018, manufactured asphalt used in those projects will be exempt from the indexed tax.

#### **Contractor's Use Tax on Manufactured Asphalt**

To calculate use tax on asphalt manufactured by a contractor for his or her use:

- a) Multiply the cost of all materials that become ingredients of the finished asphalt by 6 percent plus applicable discretionary sales surtax; plus,
- b) Multiply the cost of transporting such ingredients to the plant site by 6 percent plus the applicable discretionary sales surtax; plus,
- c) Multiply each ton of asphalt manufactured by the indexed tax. The indexed tax is in addition to all taxes paid on purchases of overhead items, including boiler fuels.

If tax is paid to a third party on the cost or transportation of materials [see (a) or (b) above], do not include those costs to calculate the total tax due. Tax is due in the month the asphalt is manufactured for use by the contractor, and must be paid using the *Sales and Use Tax Return* (Form DR-15).

**References: Section 212.06(1)(c), Florida Statutes; Section 11, Chapter 2016-220, Laws of Florida**

### 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 forms and other information, visit our website at [www.myflorida.com/dor](http://www.myflorida.com/dor) or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

Want the latest tax information?  
Subscribe to our tax publications or sign up  
for due date reminders at [www.myflorida.com/dor/list](http://www.myflorida.com/dor/list)  
Follow us on Twitter @MyFLDOR\_TaxInfo