



TIP

TIP #16A01-06
Date Issued:
06/10/16

Tax Information Publication

2016 Back-to-School Sales Tax Holiday

August 5 through August 7, 2016

This holiday begins at 12:01 a.m. on Friday, August 5, 2016, and ends at 11:59 p.m. on Sunday, August 7, 2016.

Notice to Businesses with Multiple Locations

This publication is being mailed to the main office of your business. This publication was not mailed to each of your locations. Please be sure to notify all of your individual store locations about this sales tax holiday and the specific provisions in this publication. A list of the eligible items and a copy of this publication are available on our website: www.myflorida.com/dor

During this sales tax holiday period, Florida law directs that no sales tax or local option tax (also known as discretionary sales surtax) will be collected on purchases of:

- Clothing, footwear, and certain accessories selling for **\$60 or less** per item, and
- Certain school supplies selling for **\$15 or less** per item.

This holiday does not apply to:

- Any item of clothing selling for more than \$60;
- Any school supply item selling for more than \$15;
- Books that are not otherwise exempt;
- Personal computers and computer-related accessories;
- Rentals or leases of any of these items;
- Repairs or alterations of any of these items; or
- Sales of clothing or school supplies in a theme park, entertainment complex, public lodging establishment, or airport.

Reference: Section 24, Chapter 2016-220, Laws of Florida

For a list of
qualifying items,
scan this code.



Articles Normally Sold as a Unit

Articles normally sold as a unit must continue to be sold in that manner; they cannot be separately priced and sold as individual items to get the sales tax exemption.

Sets Having Exempt and Taxable Items

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

Gift Cards

The sale of a gift card is not taxable. A gift card does not reduce the selling price of an item.

Eligible items purchased during the holiday period using a gift card will qualify for the exemption, regardless of when the gift card was purchased.

Eligible items purchased with a gift card after the holiday period are taxable, even if the gift card was purchased during the holiday period.

Buy One, Get One Free or for a Reduced Price

The total price of items advertised as “buy one, get one free,” or “buy one, get one for a reduced price,” cannot be averaged for both items to qualify for the exemption.

Exchanging a Purchase after the Holiday Expires

When a customer purchases an eligible item during the holiday period, then later exchanges the item for the same item (e.g., different size or different color), no tax will be due even if the exchange is made after the holiday period.

When a customer purchases an eligible item during the holiday period, then later returns the item and receives credit on the purchase of a different item, the new item purchased is subject to sales tax.

Coupons, Discounts, and Rebates

The sales price of an item includes all consideration received by the retailer for that item. The price of an item is not limited to the amount paid by a customer. A coupon,

discount, or rebate offered by the retail seller reduces the sales price of an item because it reduces the total amount received by the retail seller for the item.

When a retailer is reimbursed for the amount of any discount created by a manufacturer's coupon, discount, or rebate, the amount of the reimbursement is included in the taxable sales price of the item.

Rain Checks

Eligible items purchased during the holiday 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 holiday period will not qualify an eligible item for the exemption if the item is purchased after the holiday period.

Layaway Sales

A layaway sale is a transaction where 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. Eligible items sold as layaway sales qualify for the exemption when the customer:

- Takes delivery of the merchandise during the holiday period, or
- Puts an eligible item on layaway, even if final payment is made after the holiday period.

Mail-Order, Catalog, or Online Sales

Eligible items purchased by mail order, catalog, or online are exempt when the order is accepted by the company during the holiday period for immediate shipment, even if delivery is made after the holiday period.

Shipping and Handling

When shipping and handling charges are part of the sales price of an item, and multiple items are shipped on a single invoice or receipt, the shipping and handling charge must be apportioned to each item on the invoice or receipt to determine if an item is exempt during the holiday.

Recordkeeping

Sales of eligible items sold during the holiday period should be reported as exempt sales on your sales tax return.

For Bay County Dealers Only

Panama City and Panama City Beach impose a *1% merchant's license fee* or tax on retailers. The merchant's license fee is included in the sales price of each item. If the fee is separately stated, it must be assigned to the sales price of each item on the invoice to determine if an item is exempt during the holiday.

Qualified Businesses May Choose Not to Participate in the Back-to-School Sales Tax Holiday

This year a new option has been added to the Back-to-School Sales Tax Holiday. Qualified businesses may choose not to participate in the tax holiday when less than five percent (5%) of their gross sales of tangible personal property during calendar year 2015 were sales of items that would be exempt during the tax holiday period. Businesses with multiple locations must include the gross sales of all their Florida locations in this calculation. For businesses that were not in operation during the 2015 calendar year, this option is available when less than five percent (5%) of the business's inventory of items for sale are items that would be tax exempt during the tax holiday.

Qualifying businesses choosing not to participate in the tax holiday **must send a written notice to the Department by August 1, 2016**. The notice must be on business letterhead and state that the business meets the qualifications stated above and has chosen not to participate in the tax holiday. The notice must be signed by an individual authorized to sign on behalf of the business. Businesses with multiple locations may send a single notice stating that all their Florida locations will not participate in the tax holiday.

Mail the letter to: Account Management MS 1-5730
Sales Tax Holiday
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0160

Email a signed scanned letter to:
acctmaint@dor.state.fl.us
or,
Fax to: 850-922-0859

Qualified businesses that do not participate in the tax holiday **must post a notice at each business location** stating their choice not to participate in the Back-to-School Sales Tax Holiday. The notice must be posted in a conspicuous location at the place of business. The following is a suggested notice:

In accordance with Chapter 2016-220, Laws of Florida, (Name of Business) has chosen not to participate in the Back-to-School Sales Tax Holiday, August 5-7, 2016. For questions, please contact (name of contact person at business) at (contact telephone number or email address).

[Signature of Authorized Individual]

[Title]

2016 Back-to-School Sales Tax Holiday

August 5 through August 7, 2016

The following is a list of clothing and accessory items and their taxable status during the tax-free period. No tax is due on the sale or purchase of any article of clothing, wallet, or bag, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, with a selling price of **\$60 or less per item**. (The list is not all-inclusive.)

“Clothing” means any article of wearing apparel, including all footwear (except skis, swim fins, roller blades, and skates) intended to be worn on or about the human body. Clothing does not include watches, watchbands, jewelry, umbrellas, or handkerchiefs.

This exemption does **not** apply to sales of clothing, wallets, or bags in a theme park, entertainment complex, public lodging establishment, or airport.

Examples of Exempt Clothing Items:

- Accessories (generally)
 - » Barrettes and bobby pins
 - » Belt buckles
 - » Bow ties
 - » Hairnets, bows, clips, and hairbands
 - » Handbags
 - » Neckwear
 - » Ponytail holders
 - » Scarves
 - » Ties
 - » Wallets
- Aerobic/Fitness clothing
- Aprons/Clothing shields
- Athletic supporters
- Baby clothes
- Backpacks
- Bandanas
- Baseball cleats
- Bathing suits, caps, and cover-ups
- Belts
- Bibs
- Blouses
- Book bags
- Boots (except ski boots)
- Bowling shoes (purchased)
- Braces and supports worn to correct or alleviate a physical incapacity or injury*
- Bras
- Caps and hats
- Choir and altar clothing*
- Cleated and spiked shoes
- Clerical vestments*
- Coats and wraps
- Coin purses
- Costumes
- Coveralls
- Diaper bags
- Diapers, diaper inserts (adult and baby, cloth or disposable)
- Dresses
- Employee uniforms
- Fanny packs
- Fishing vests (nonflotation)
- Formal clothing (purchased)
- Gloves (generally)
 - » Dress (purchased)
 - » Garden
 - » Leather
 - » Work
- Graduation caps and gowns
- Gym suits and uniforms
- Hats
- Hosiery (including support hosiery)
- Hunting vests
- Insoles
- Jackets
- Jeans
- Lab coats
- Leg warmers
- Leotards and tights
- Lingerie
- Martial arts attire
- Overshoes and rubber shoes
- Pants
- Panty hose
- Purses
- Raincoats, rain hats, and ponchos
- Receiving blankets
- Religious clothing*
- Robes
- Safety clothing
- Safety shoes
- Scout uniforms
- Shawls and wraps
- Shirts
- Shoe inserts
- Shoes (including athletic)
- Shoulder pads (e.g., dresses or jackets)
- Shorts
- Ski suits (snow)
- Skirts
- Sleepwear (nightgowns and pajamas)
- Slippers
- Slips
- Socks
- Sports uniforms (except pads, helmets)
- Suits, slacks, and jackets
- Suspenders
- Sweatbands
- Sweaters
- Swim suits and trunks
- Ties (neckties - all)
- Tights
- Tuxedos (excluding rentals)
- Underclothes
- Uniforms (work, school, and athletic - excluding pads)
- Vests
- Vintage clothing
- Work clothes and uniforms

* These items are already exempt as religious, prescription, prosthetic, or orthopedic items.

Examples of Taxable Clothing Items:

- Accessories (generally)
 - » Handkerchiefs
 - » Jewelry
 - » Key cases
 - » Watchbands
 - » Watches
- Athletic gloves
- Athletic pads
- Bowling shoes (rented)
- Briefcases
- Checkbook covers (separate from wallets)
- Chest protectors
- Cloth, lace, knitting yarns, and other fabrics
- Clothing repair items (such as thread, buttons, tapes, iron-on patches, or zippers)
- Corsages and boutonnières
- Cosmetic bags
- Crib blankets
- Diving suits (wet and dry)
- Duffel bags
- Elbow pads
- Fins
- Fishing boots (waders)
- Football pads
- Formal clothing (rented)
- Garment bags
- Gloves (generally)
 - » Baseball
 - » Batting
 - » Bicycle
 - » Golf
 - » Hockey
 - » Rubber
 - » Surgical
 - » Tennis
- Goggles (except prescription*)
- Hard hats
- Helmets (bicycle**, baseball, football, hockey, motorcycle, sports)
- Ice skates
- In-line skates
- Key chains
- Knee pads
- Life jackets and vests
- Luggage
- Make-up bags
- Pads (football, hockey, soccer, elbow, knee, shoulder)
- Paint or dust masks
- Patterns
- Protective masks (athletic)
- Rented clothing (including uniforms, formal wear, and costumes)
- Repair of wearing apparel
- Roller blades
- Roller skates
- Safety glasses (except prescription*)
- Shaving kits/bags
- Shin guards and padding
- Shoulder pads (football, hockey, sports)
- Ski boots (snow)
- Ski vests (water)
- Skin diving suits
- Suitcases
- Sunglasses (except prescription*)
- Swimming masks
- Umbrellas
- Weight-lifting belts
- Wigs

For a list of qualifying clothing and accessory items, scan this code.



* These items are already exempt as religious, prescription, prosthetic, or orthopedic items.

** Effective July 1, 2014, bicycle helmets marketed for use by youth are exempt from sales tax.

2016 Back-to-School Sales Tax Holiday August 5 through August 7, 2016

The following is a list of school supplies and their taxable status during the tax-free period. No tax is due on the sale or purchase of any school supply item with a selling price of **\$15 or less per item**. This exemption does **not** apply to sales of school supplies in a theme park, entertainment complex, public lodging establishment, or airport.

“School supplies” means pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue, paste, rulers, computer disks, protractors, compasses, and calculators.

Examples of Exempt School Supply Items:

- Binders
- Calculators
- Cellophane (transparent) tape
- Colored pencils
- Compasses
- Composition books
- Computer disks (blank CDs only)
- Construction paper
- Crayons
- Erasers
- Folders
- Glue (stick and liquid)
- Highlighters
- Legal pads
- Lunch boxes
- Markers
- Notebook filler paper
- Notebooks
- Paste
- Pencils, including mechanical and refills
- Pens, including felt, ballpoint, fountain, highlighters, and refills
- Poster board
- Poster paper
- Protractors
- Rulers
- Scissors

Examples of Taxable School Supply Items:

- Books not otherwise exempt
- Computer paper
- Correction tape, fluid, or pens
- Masking tape
- Printer paper
- Staplers
- Staples

For a list of qualifying school supply items, scan this code.





Florida Department of Revenue
5050 W. Tennessee St
Tallahassee, FL 32399-0100

PRSRT STD
U.S. POSTAGE
PAID
FL DEPT OF
REVENUE

Open Immediately
*Back-to-School
Sales Tax Holiday*
August 5 through August 7, 2016
Information Enclosed

2016

Florida's 3-Day Back-to-School Sales Tax Holiday

Aug 5 - Aug 7, 2016

Prior to the sales tax holiday, lists of qualifying items, frequently asked questions, examples, and additional information will be available on our website: www.myflorida.com/dor

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 the Department's website at 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 W. Tennessee Street, Tallahassee, FL 32399-0112.

E-Services - To file and pay sales and use tax electronically (e-file and e-pay), visit our website.