

FLORIDA SALES & USE TAX: WHAT YOU NEED TO KNOW

INTRO: Why do I need to collect and pay sales taxes? If you are selling anything in Florida that is considered “goods” you must collect and pay sales tax! Definition: “Goods” for authors = books (new and used) but not eBooks (considered nontangible goods).

EXCEPTION: Estate Sales and Garage Sales (considered selling at a loss)

STEP 1: Registering to collect and pay sales taxes:

1. Florida Business Tax Application (FORM DR-1) & Instructions (DR-1N)
 - a. You may download this form from www.myflorida.com (demonstrate) along with the instructions, fill it out, and mail it with a check for \$5.00 to DOR
 - b. OR you may register online at no cost.
2. Information You Will Need to fill out the application form:
 - a. Business Name, physical address, and contact information
 - b. Federal Employer ID Number (FEIN) – if you don’t have one of these see d. below
 - c. Bank account information
 - d. Name, Social Security Number, Driver’s License number, address, and contact information of owner/sole proprietor (and officers, partners, managing members, and/or trustees)
 - e. Dates when business activities began or WILL begin
 - f. Description of business activity
 - g. Employment information but only if you have full or part time employees ... Typists or transcribers to whom you pay a fee for a job of work are considered contractors.

STEP 2: Keep GOOD records of:

1. Number of books sold in the state of Florida and in which county
2. Retail Price plus tax collected (by county) (DR-15DSS)
 - a. FL State tax is 6%
 - b. Lake County surtax is 1%
 - c. Sumter County surtax is 1%
 - d. Marion County surtax is 0%
3. Wholesale Price you paid for the number of books you are using as promo or complimentary/gift copies.
 - a. You will need to pay the sales tax on these books.
4. For Books sold out of state (when you are traveling)
 - a. These are “exempt” because Florida does not require you to collect or pay taxes on these sales.
 - b. However, if you go to another state to sell at a convention or book fair, you will need to collect and report taxes to that state. Always ask if the event planners will be providing one-time-event sales tax report forms.

FLORIDA SALES & USE TAX: WHAT YOU NEED TO KNOW

- c. If you live part time in Florida and part time in New York (or wherever) and you sell books in both states, you should register to collect and pay sales tax in both states.
- d. Exception – you are NOT responsible for collecting or paying sales tax on books sold on-line bookstores, such as Create Space, Amazon or any other printer/publisher. These sales outlets do the collection on their sales and they do the reporting.

STEP 3: Reporting taxes and paying them (DR-15 or DR-15EZ)

1. The Florida DOR will send you a quarterly return form booklet.
 - a. DR-15 – most likely the first form you will get because you don't have a track record yet!
 - b. DR-15EZ (if you DON'T sell outside your own county or you didn't pay more than \$200,000.00 in sales and use tax during the previous state fiscal year (July 1 – June 30).

STEP 4: What you must report: BACK OF THE FILE CARD! [Do this FIRST]

[Use the Taxpayer Copy and a pencil]

1. Gross Sales = every book sold no matter where.
2. Exempt Sales = books sold by an online entity, or out of state.
3. Taxable Sales/Purchases – books bought at cost from your printer/publisher
 - a. You must charge yourself the sales tax on the WHOLESALE amount and report it.
4. Total Tax Collected –
 - a. Subtract the Exempt Sales from the Gross Sales
 - b. Calculate sales tax on the resulting amount
 - c. ADD the amount on Line 3 (Taxable Sales/Purchases) to give you the total sales for which you owe sales tax. (You may calculate the tax per book sold, or on the entire taxable amount)
 - d. Enter the sales tax amount on Line 4
5. Less Lawful Deductions:
6. Less DoR Credit Memos (tax refunds)
7. Total Tax Due
8. ~~Less Collection Allowances~~ or Plus Penalty or Interest (for late payment) [you only get credit for Collection Allowances if you file and pay online]
9. Amount Due With Return [Enter this amount on the front of the form – bottom right hand side.
10. Discretionary Sales Surtax Information – Lines A – B [BACK]
 - a. Add up the Sales Surtax that you collected, i.e., 1% in Lake or Sumter Counties, 0% in Marion County (or whatever for another county).
[Remember, if you sell books out of state you pay no Sales Surtax).
 - b. LINE A – put in the total amount of sales (of Gross sales) for which you DID

FLORIDA SALES & USE TAX: WHAT YOU NEED TO KNOW

NOT need to collect Discretionary Sales Surtax.

c. LINE B – Total amount of Discretionary Sales Surtax collected (put in a zero if you sold only in Marion Country!)

- Signature, date, and telephone number go on the upper right hand side of the BACK of the form – DON'T FORGET THIS!
- FRONT of form – If you have a change of address, telephone number, put it here in the spot indicated.
- Write your check, put the form and check in the envelope provided, and mail it!

Due date is the first day of the next quarter. Your form is **late if received after the 22nd** that month – this is on the front of the form (bottom left hand corner).

Addendum:

ANNUAL RESALE CERTIFICATE FOR SALES TAX

- When you order your books from a self-publish printer like CreateSpace, the state of Florida now requires that you pay the FL Sales Tax on the books.
- However, as a “reseller” of your own books, you charge sales tax on each one sold. Therefore, the Florida Dept. of Revenue provides you with an Annual Resale Certificate for Sales Tax. If you have received your 2016 payment booklet, your 2016 certificate is in the front.
- It is your responsibility EACH YEAR to notify CreateSpace (or whoever) that you have this certificate and need to send it in for the New Year.
 - Scan your certificate into a PDF file or make a paper copy of it, both front and back.
 - Call the Help Desk of your printer or publisher and ask for directions. They will then ask you to
 - Download the Resale Verification Form (do a “search” for ‘Direct Reseller’).
 - Print the form and fill it in and copy it or scan it into a PDF.
 - Print out your scanned PDF of the FL Resale Certificate for the current year.
 - Then send these documents in via Fax or email.
 - For CreateSpace
 - Fax both docs in one fax to 206-922-5928
 - Email: attach both docs and send to info@createspace.com
 - Once they have it they will record it and let you know that you are ready to order your books with no FL sales tax added.