



Sales and Use Tax on Tangible Personal Property Rentals

Definitions

Tangible Personal Property – Personal property that can be seen, weighed, measured, or touched or is in any way perceptible to the senses, including electric power or energy.

Lessor – Owner of tangible personal property who allows the use of a property, in return for a rental payment.

Lessee – Person who uses tangible personal property in return for a rental payment paid to the lessor.

Rental Payment – Payment made directly to the lessor for temporary possession and use of tangible personal property, without the transfer of title to the property.

What is Taxable?

Here are a few examples of tangible personal property rentals that are subject to sales tax and the applicable discretionary sales surtax:

- aircraft
- beach umbrellas
- bicycles
- boats
- books, audio tapes
- computers, copiers
- lawn mowers, chainsaws, and edgers
- machinery, equipment, and tools
- motor vehicles
- roller skates, ice skates
- sailboats, sailboards
- skis, jet skis, and surfboards

What is Not Taxable?

Here are a few examples of tangible personal property rentals that are not subject to sales tax:

- Rental of equipment when the owner furnishes the equipment, operator, and supplies, and then contracts for their use to work under the owner's direction according to a customer's specifications, and the customer does not take possession of the equipment or have any direction or control over the equipment or its operation.
- Charters of any boat or vessel with a crew for the purpose of fishing.
- Air taxi charters to transport a passenger to a certain destination (passenger does not pilot or take possession of aircraft).
- Motion picture films, when a fee is charged for viewing the films.

All rentals to nonprofit organizations are exempt when the organization presents a current and valid Florida *Consumer's Certificate of Exemption* (Form DR-14) to the lessor.

If you are unsure if your leases or rentals are taxable, contact Taxpayer Services. The number is provided in the Reference Material section at the end of this brochure.

Who Must Register to Collect Tax?

If you lease or rent taxable tangible personal property to others, you must register as a dealer to collect and report sales tax. You can register at floridarevenue.com/taxes/registration. The site will guide you through the registration application to help you determine your tax obligations. A paper version of the *Florida Business Tax Application* (**Form DR-1**) is available at floridarevenue.com/forms.

After the Department approves your registration, you will receive a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13). If you file electronically, you will not

be mailed paper tax returns. The *Florida Annual Resale Certificate for Sales Tax* is used for tax-exempt purchases, leases, or rentals of tangible personal property you intend to resell or re-rent as part of your business. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*.

When is Tax Due?

Returns and payments are due the first day of the month and late after the 20th day of the month following each reporting period, whether you are filing monthly, quarterly, twice a year, or yearly. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns and payments will be timely if they are postmarked on the first business day after the 20th. **Florida law requires you to file a tax return even if you do not owe sales and use tax.**

Electronic Filing and Payment

We offer the use of our free and secure website to file and pay sales tax at floridarevenue.com/taxes/filepay. You also have the option of buying software from a software vendor. A [list](#) of vendors is available at floridarevenue.com/taxes/eservices. For more information on electronic filing and payment options, visit floridarevenue.com/forms and select [GT-800001](#), *Filing and Paying Taxes Electronically*, under the eServices section.

Any taxpayer can voluntarily enroll to enjoy the benefits of electronic filing; however, Florida law requires businesses that paid \$5,000 or more in tax during the State of Florida's prior fiscal year (July 1 – June 30) to file returns and pay taxes electronically during the next calendar year.

Electronic Payment Deadlines

When you **electronically pay, or electronically file and pay at the same time**, you must initiate your electronic payment and **receive a confirmation number no later than 5 p.m. ET on the business day prior to the 20th day of the month** to avoid penalty and interest. Keep a record of your confirmation numbers. For a list of electronic payment deadlines, visit floridarevenue.com/forms and select the current year *Florida eServices Calendar of Electronic Payment Deadlines* ([Form DR-659](#)) under the eServices section.

Penalty and Interest

- **Penalty** – If you file your return or pay tax late, a late penalty of 10% of the amount of tax due, but not less than \$50, may be charged. The \$50 minimum penalty applies even if no tax is due. Penalty will also be charged if your return is incomplete.
- **Interest** – A floating rate of interest applies to underpayments and late payments of tax. Current and prior period interest rates are posted at floridarevenue.com/taxes/rates.

Reference Material

Laws – Tax laws are available at leg.state.fl.us.

Rules – Rule 12A-1.071, Florida Administrative Code (Renting Tangible Personal Property), is available at flrules.org.

Brochures – Download these brochures at floridarevenue.com/forms:

- *Sales and Use Tax on the Rental, Lease, or License to Use Commercial Real Property* ([GT-800016](#))
- *Sales and Use Tax on Rental of Living or Sleeping Accommodations* ([GT-800034](#))
- *Discretionary Sales Surtax* ([GT-800019](#))

Information and tutorials are available at floridarevenue.com/taxes/education.

Tax forms are available at floridarevenue.com/forms.

To speak with a Department representative, call Taxpayer Services at 850-488-6800, Monday through Friday, excluding holidays.

Subscribe to Receive Updates by Email from the Department.

Subscribe to receive an email for filing due date reminders, Tax Information Publications (TIPs), or proposed rules. Subscribe today at floridarevenue.com/dor/subscribe.