



# TIP

## Tax Information Publication

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# 2018 Back-to-School Sales Tax Holiday

## August 3 through August 5, 2018

This sales tax holiday begins on Friday, August 3, 2018, and ends on Sunday, August 5, 2018.

### **Notice to Businesses with Multiple Locations**

If you report sales tax for all your locations on one consolidated tax return, this publication was mailed to the main business address listed on your return. 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 the Department's website: [floridarevenue.com](http://floridarevenue.com)

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
- Certain school supplies selling for **\$15 or less** per item

### **This sales tax 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;
- Rentals or leases of any eligible items;
- Repairs or alterations of any eligible items; or
- Sales of any eligible items in a theme park, entertainment complex, public lodging establishment, or airport.

**Reference:** Section 54, Chapter 2018-118, Laws of Florida



### **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 in order to qualify for 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 sales tax 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 sales tax holiday period are taxable, even if the gift card was purchased during the sales tax 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 Sales Tax Holiday Period**

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

When a customer purchases an eligible item during the sales tax 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 sales tax holiday period using a rain check qualify for the exemption regardless of when the rain check was issued.

However, issuance of a rain check during the sales tax holiday period will not qualify an eligible item for the exemption if the item is purchased after the sales tax 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:

- Accepts delivery of the merchandise during the sales tax holiday period, or

- Puts an eligible item on layaway, even if final payment is made after the sales tax 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 sales tax holiday period for immediate shipment, even if delivery is made after the sales tax 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 sales tax holiday.

### **Recordkeeping**

Sales of eligible items sold during the sales tax 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 sales tax holiday period.

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

Qualified businesses may choose not to participate in the sales tax holiday when less than five percent (5%) of their gross sales of tangible personal property during calendar year 2017 were sales of items that would be exempt during the sales 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 2017 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 sales tax holiday period.

Qualifying businesses choosing not to participate in the sales tax holiday **must send a written notice to the Department by August 1, 2018**. 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 sales 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 sales tax holiday.

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

Email a signed scanned letter to:  
registration@floridarevenue.com  
or,  
Fax to: 850-922-0859

Qualified businesses that do not participate in the sales 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 2018-118, Laws of Florida, (Name of Business) has chosen not to participate in the Back-to-School Sales Tax Holiday, August 3-5, 2018. For questions, please contact (name of contact person at business) at (contact telephone number or email address).

[Signature of Authorized Individual]

[Title]

## **Clothing and Accessories**

The following is a list of clothing and accessory items and their taxable status during the back-to-school sales tax holiday 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 and Accessories:**

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

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

\*\* Bicycle helmets marketed for use by youth are exempt from sales tax.

## Examples of Taxable Clothing and Accessories:

- Accessories
  - » 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, (e.g., thread, buttons, tapes, iron-on patches, or zippers)
- Corsages and boutonnieres
- 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
  - » Baseball
  - » Batting
  - » Bicycle
  - » Golf
  - » Hockey
  - » Rubber
  - » Surgical
  - » Tennis
- Goggles (except prescription\*)
- Hard hats
- Helmets, except youth 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 or footwear (e.g., uniforms, formal wear, costumes and bowling shoes)
- Repair of wearing apparel
- Roller blades
- Roller skates
- Safety glasses (except prescription\*)
- Shaving kits and 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

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

\*\* Bicycle helmets marketed for use by youth are exempt from sales tax.

## School Supply Items

The following is a list of school supplies and their taxable status during the back-to-school tax holiday 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 and staples