

# Sales Tax

## Frequently Asked Questions (FAQ's)



*Question:*

What is **sales tax**?

*Answer:*

A sales tax is a tax placed on the sale of most goods and services and paid directly to the state in which the business operates. In Florida, the Department of Revenue (DOR) controls the collection of sales tax. A sales tax is calculated by applying a percentage to the taxable price of a sale. A portion of the sale may also be exempt from the calculation of tax, because sales tax laws usually contain a list of exemptions.

*Question:*

What is **use tax**?

*Answer:*

Use tax is due on the use or consumption of taxable goods or services when sales tax was not paid at the time of purchase. For example, if you buy an item tax-exempt intending to resell it and then use the item in your business or for personal use, you owe use tax.

*Question:*

What is a **gross sale**?

*Answer:*

A gross sale is the total of exempt sales and taxable sales. It does not include the amount of tax collected.

*Question:*

What is an **exempt sale**?

*Answer:*

Exempt sales are sales for resale, sales of items specifically exempt by statute and sales to exempt organizations.

*Question:*

What is **taxable amount**?

*Answer:*

Taxable amount is the sales price for which the sales tax is collected and is based on the bracket system.

*Question:*

What is a **bracket system**?

*Answer:*

Florida uses a bracket system for collecting sales tax on any taxable sale that is less than a whole dollar amount. In calculating the sales tax, multiply the whole dollar amount by the tax rate (6% plus the county surtax rate) and use the bracket system to figure the tax on the amount less than a dollar. The bracket system card is posted in the FL Department of Revenue site at <http://dor.myflorida.com/dor/forms/current/dr2x.pdf> (form DR-2X).

For example: In Miami-Dade County, how much sales tax do you have to collect on a \$19.62 item? Multiply \$19 by 7% = \$1.33, then find the tax amount for the **62** cents in the bracket card and add this amount to \$1.33. The sales tax for a \$19.62 sale is \$1.38.

*Question:*

What is the **sales tax rate in Florida**?

*Answer:*

The state of Florida sales tax rate is 6%.

*Question:*

What is the **sales tax rate in Miami-Dade County**?

*Answer:*

In addition to the 6% base sales tax rate, counties can assess a local discretionary sales surtax. Miami-Dade County currently has a discretionary sales surtax of 1%. Therefore, sales of tangible property in our county are subject to a total sales tax rate of 7%. However, not all counties have surtaxes, and in some instances the rate is greater than 1%. Surtaxes may change over time either due to expiration of the tax itself or new provisions enacted in law. A list of Florida counties and their discretionary sales surtax rate is posted in the internet site at [http://dor.myflorida.com/dor/forms/current/dr15dss\\_1113.pdf](http://dor.myflorida.com/dor/forms/current/dr15dss_1113.pdf) (form DR-15DSS). The form is updated every year.

*Question:*

What is a **discretionary sales surtax**?

*Answer:*

Discretionary sales surtax is a county-imposed tax. It must be collected at the time of the sale transaction and the sale is subject to sales and use tax.