

Sales Tax Frequently Asked Questions (FAQ's)



Question:

What is **sales tax**?

Answer:

Sales tax is a tax on consumption. The University collects sales tax from a consumer when applicable. Sales tax is assessed on the sale of most goods and services. Sales tax is applicable in the state where the sale occurs or to the state where goods are shipped. In Florida, the Department of Revenue (DOR) administers the collection of sales tax. Sales tax is calculated by applying the enacted tax rate to the taxable sale. If sales are being drop- shipped into states other than Florida, please contact the Tax Department. Exclusions and exemptions may apply. Contact the Tax Department for more information.

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. The amounts collected as sales tax should be separately stated on the invoice.

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. Sales to exempt organizations and sales that are considered exempt for resale, require that a valid sales tax exemption certificate be collected. Sales tax exemption certificates must not be expired. You may contact the state of Florida at 877-357-3725 to confirm certificates are valid.

Question:

What is a **taxable sale**?

Answer:

Taxable sales are sales that are subject to sales tax. Please see definition of sales tax at the beginning of this document. Exempt sales are excluded when totaling taxable sales.

Question:

What is **the rounding algorithm**?

Answer:

Florida uses a rounding algorithm for calculating sales tax on any taxable sale. In calculating the sales tax, multiply the whole dollar amount by the tax rate (6% plus the county surtax rate) and round using the third decimal place. The explanation is found on the FL Department of Revenue site at https://floridarevenue.com/taxes/tips/Documents/TIP_21A01-02.pdf

For example: In Miami-Dade County, how much sales tax do you have to collect on a \$19.**62** item? Multiply \$19.62 by 7% = \$1.3734. The sales tax for a \$19.62 sale is \$1.37. If the result had been 1.375, it would be rounded to 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 online at https://floridarevenue.com/Forms_library/current/dr15dss.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.