

TIP 99A01-20  
DATE ISSUED: Jul 01, 1999

**BOAT, MOTOR VEHICLE, AND AIRCRAFT DEALERS:  
CHANGES IN THE ALTERNATIVE METHOD OF  
CALCULATING ESTIMATED SALES TAX**

Effective January 1, 2000, beginning with your December 1999 return, the threshold requirements and percentage used to calculate your monthly estimated tax payments change.

- \* Threshold increases from \$100,000 to \$200,000
- \* Percentage decreases from 66% to 60%

**Alternative Method for Year 2000 Estimated Sales Tax Payment**

Boat, motor vehicle, and aircraft dealers have an alternative method available for calculating and paying their estimated sales tax. This method is used to calculate Line 9 (monthly estimated tax payment) on your Sales and Use Tax Return (Form DR-15).

**Who Qualifies?**

To qualify for the alternative estimated sales tax method, a dealer must have made at least one sale of a boat, motor vehicle, or aircraft with a selling price of \$200,000 or more in the previous state fiscal year (July 1st through June 30th).

**How To Apply**

Dealers must apply before October 1st each year and be approved by the Department to use this alternative method. To apply, complete and mail Form DR-300400 (Boat, Motor Vehicle, or Aircraft Dealers Application for Special Estimation of Taxes) to:

FLORIDA DEPARTMENT OF REVENUE  
RETURN RECONCILIATION  
5050 W TENNESSEE STREET  
TALLAHASSEE, FL 32399-0100

You may obtain Form DR-300400 and other Department of Revenue forms from the Department's Web site at:

<http://sun6.dms.state.fl.us/dor/> or from Fax on Demand (see details below).

### **Alternative Method of Calculating Estimated Tax**

In addition to filing Form DR-15, dealers approved to use the alternative method will be required to:

- \* pay estimated tax every month based on **60%** of their average tax liability (see example below) for all sales during the previous state fiscal year, **excluding the sale of each boat, aircraft, or motor vehicle with a sales price of \$200,000 or more**; and,
- \* pay the sales tax for each sale of a boat, motor vehicle, or aircraft with a sales price of **\$200,000 or more**, by:
  - \* electronic funds transfer initiated **on** the date of the sale; or,
  - \* check submitted with a Sales and Use Tax Return (Form DR-15CS) postmarked **on** the date of the sale.

Electronic Funds Transfer (EFT) and Electronic Data Interchange (EDI) requirements have not changed.

**SPECIAL NOTE: If approved to use the alternative method described above, dealers will be required to pay estimated tax using ONLY this method for each month of the entire calendar year.**

### **Alternative Estimated Tax Calculation Example**

A yacht dealer reported taxable sales in the previous state fiscal year of \$3,000,000. Three boats were sold for prices **more than \$200,000** each, for a total of \$750,000. The net sales were \$2,250,000 for the previous state fiscal year.

- A. Taxable sales (previous state fiscal year) \$3,000,000
- B. Less total of all individual sales of \$200,000 or more (\$750,000)
- C. Net sales \$2,250,000
- D. Total tax due (6% of Line C) \$135,000
- E. Divide the amount on Line D by 12 \$11,250  
(this is your average tax liability)
- F. Monthly estimated tax payment (**60%** of Line E) \$6,750

**DO NOT UNDERESTIMATE.** Underpayment of estimated tax will subject you to penalty and interest.

#### **FOR MORE INFORMATION**

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

For forms and other information, visit our Web site at <http://sun6.dms.state.fl.us/dor/>.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

References:

Ch. 99-239, L.O.F.

Section 212.11(4)(d), F.S.