

**Florida Department of Revenue
Tax Information Publication**

TIP 04A01-09

Date: October 13, 2004

**ESTIMATED SALES TAX FOR BUSINESSES
WITH MULTIPLE LOCATIONS
USING THE SAME TAXPAYER IDENTIFICATION NUMBER**

Your total sales and use tax payments, for all sales and use tax accounts (included at the end of this document), that have the same Federal Employer Identification Number (FEIN) or Social Security Number (SSN), reached \$200,000 for the period July 1, 2003, through June 30, 2004. Dealers who paid sales and use tax in excess of \$200,000 for the previous state fiscal year are required by Florida law to make estimated sales tax payments on their December 2004 through November 2005 sales tax returns. You are required to make estimated sales tax payments for each of these accounts beginning with your December 2004 return. These estimated payments are for the January 2005 through December 2005 collection periods.

Electronic Filing

Also, beginning January 2005, you must file returns and remit tax payments for sales and use tax, as well as solid waste and surcharge (if applicable), by electronic means. Therefore, you must:

Make estimated sales and use tax payments beginning with your December 2004 returns;

Remit sales and use tax payments (and solid waste and surcharge payments) by electronic means beginning with your January 2005 returns; and

File sales and use tax returns (and solid waste and surcharge returns) by electronic means beginning with your January 2005 returns.

Note: You will be receiving another TIP fully explaining your electronic filing requirements for 2005.

Estimated Payments

Your first 2005 estimated tax payment(s) is reported on Line 9 of your December 2004 return(s). This return(s) is due on January 1, 2005, and is late after January 20, 2005. If you pay by electronic means, **your payments must be initiated on or before Wednesday, January 19, 2005, 5:00 p.m., Eastern Time (ET).**

You will record the estimated tax payment(s) made on the December 2004 return(s) (Line 9) as a credit on Line 8 of your January 2005 return(s). **You must continue to make estimated tax payment(s) on each return throughout 2005.**

Three Methods for Computing Estimated Tax

The percentage factor for calculating estimated tax is 60%. Your estimated tax liability is based only on Florida sales and use tax due (Form DR-15, Line 7, Total Tax Due minus discretionary sales surtax). **Note: If you calculate incorrectly or forget to enter your estimated tax, you cannot amend your return.** Compute your estimated tax liability by one of the following methods:

Method 1

Calculate 60% of your average sales tax liability for those months during the previous calendar year that you reported taxable transactions.

Example: When completing your December 2004 return, calculate your average sales tax liability for the 2004 calendar year. To calculate your average, complete the following steps:

Step 1. Review all of your 2004 sales tax returns (including December return).

Step 2. Add together the amounts from Line 7 (minus any discretionary sales surtax) for all 2004 returns.

Step 3. Divide the total of all Line 7 amounts by the number of returns filed with tax due on Line 7. This is your 2004 average sales tax liability.

Step 4. Multiply your 2004 average sales tax liability by 60%.

Step 5. Enter the amount determined in Step 4 on Line 9 of your December 2004 return and all returns for 2005 through November. When using this method, you would need to recalculate the estimated tax due prior to filing your December 2005 return.

Method 2

Calculate 60% of your sales tax collected during the same month of the previous calendar year.

Example: When completing your December 2004 return, look at your January 2004 return and multiply the amount from Line 7 (minus discretionary sales surtax) by 60%. Enter that amount on Line 9.

Method 3

Calculate 60% of the tax collected for the collection period following this return.

Example: When completing your December 2004 return, your estimated tax liability is 60% of what you will collect (minus discretionary sales surtax) for the January 2005 return. Enter that amount on Line 9.

Note: If you correctly calculate your estimated tax using one of the three methods described above, you will not be assessed a penalty for underpayment of estimated tax. Dealers are NOT required to use only one method and may elect to use any one of these methods throughout the year.

Consolidated Filing Method

Dealers who operate two or more places of business that report through a central office or location are eligible to file a consolidated return. When filing a consolidated return with supporting documentation for each location, only one electronic initiation and payment is necessary. If you would like to begin filing a consolidated return, please submit an Application for Consolidated Sales and Use Tax Filing Number (Form DR-1CON). After your application is processed, you will be issued a consolidated account number. You will need the consolidated account number prior to enrolling for e-Services.

Penalty for Underpayment of Estimated Tax

If you underpay your estimated tax, a "specific" penalty of 10% is due on the underpaid amount. This penalty is added to the late filing penalty.

New Penalty Rate for Late Filing

The penalty structure for sales and use tax and solid waste and surcharges changed as of July 1, 2003, due to legislation that passed in the 2003 session. Under the new law, if a taxpayer files a late return, or is late in paying the tax due on a return, the penalty is either 10% of the amount of tax or fees due on your tax return, including discretionary sales surtax, or a minimum of \$50, whichever is greater. The \$50 minimum penalty applies even if no tax is due.

Interest

If your payment is late, interest is owed on the amount due. Florida law provides a floating rate of interest for payments of taxes and fees due, including discretionary sales surtax. The floating rate of interest is established using the formula in Section 213.235, F.S., and is updated on January 1 and July 1 each year. You may obtain interest rates from the Department's internet site at www.myflorida.com/dor.

References: Sections 212.11, 212.12, and 213.755, Florida Statutes

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 forms and other information, visit our Internet site at www.myflorida.com/dor. Or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

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

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.