



Florida Department of Revenue  
Tax Information Publication

**TIP**

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## ESTIMATED SALES TAX REQUIREMENTS

Your total sales and use tax payments for **all** accounts that have the same Federal Employer Identification Number (FEIN) or Social Security Number (SSN) reached \$200,000 for the period of July 1, 2009, through June 30, 2010. Based on this, you are required to make estimated sales tax payments for all accounts (see the enclosed list) beginning with your **December 2010** return. This estimated payment requirement applies to the January 2011 through December 2011 collection periods, for all of your sales and use tax accounts listed.

### Estimated Payments

You report your first 2011 estimated tax payment(s) on Line 9 of your December 2010 return(s). This will be the estimated tax for January 2011. Monthly sales and use tax returns are due on the 1<sup>st</sup> day of each month and are late after the 20<sup>th</sup> day of each month following the collection period. However, if the 20<sup>th</sup> falls on a Saturday, Sunday, or state or federal holiday, tax returns must be postmarked on the first business day following the 20<sup>th</sup>. You must initiate your electronic payment on or before Wednesday, January 19, 2011, 5:00 p.m., Eastern Time (ET).

### 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 and **does not** include discretionary sales surtax. Compute your estimated tax liability using one of the following methods:

**Note:** If you correctly calculate your estimated tax using one of the three methods described, you will not be assessed a penalty for underpayment of estimated tax. You are **NOT** required to use only one method and may choose to use any one of these methods throughout the year. If you incorrectly calculate or forget to enter your estimated tax, you cannot amend your return.

#### Method 1 (Averaging)

To use this method you must first calculate 60% of your average sales tax liability for those monthly tax returns for January 2010 through December 2010. Only use months where you reported taxable transactions.

Example: When completing your December 2010 return, you must first calculate your average sales tax liability for the 2010 calendar year. To calculate your average, complete the following steps:

- Step 1. Review all of your 2010 sales tax returns (including December return).
- Step 2. Add together the amounts from Line 7 (minus discretionary sales surtax) for all 2010 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 2010 average sales tax liability.

Step 4. Multiply your 2010 average sales tax liability by 60%.

Step 5. Enter the amount determined in Step 4 on Line 9 of your December 2010 return and all returns for 2011 through November. When using this method, you will need to recompute the estimated tax due before filing your December 2011 return.

### **Method 2 (Same Month in Previous Year)**

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

Example: When completing your December 2010 return, multiply the amount on Line 7 of your January 2010 return (less discretionary sales surtax) by 60%. Enter that amount on Line 9.

### **Method 3 (Next Collection Period)**

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

Example: When completing your December 2010 return, your estimated tax liability is 60% of what you will collect (minus discretionary sales surtax) for the January 2011 return. Enter that amount on Line 9. If you are unable to estimate what you will collect (minus discretionary sales surtax) for the January 2011 return, we recommend you use Method 1 or Method 2.

### **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. **All consolidated accounts must file and pay electronically.** When filing a consolidated return with information for each location, only one electronic initiation and payment is necessary. If you want 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, we will issue you a consolidated account number. You will need the consolidated account number before enrolling for e-Services.

### **Penalty for Underpayment of Estimated Tax**

If you underpay your estimated tax, a penalty of 10% is due on the underpaid amount. We will send you a *Notice of Additional Tax Due*. If you forget to enter your estimated tax, you cannot amend your return.

### **Penalty Rate for Late Filing**

The penalty for late payments of sales and use tax is either 10% of the tax 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, you owe interest on the amount due. Florida law provides a floating rate of interest for late payments of taxes and fees due, including discretionary sales surtax. The floating rate of interest is calculated using the formula in section 213.235, Florida Statutes, and is updated on January 1 and July 1 each year. You may get interest rates from our Internet site at [www.myflorida.com/dor](http://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](http://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.

Persons with hearing or speech impairments may 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, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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