



QUESTION #1: Whether Florida sales tax, discretionary county sales surtax, local option tourist development tax, tourist impact tax, or convention development tax apply to the use of Taxpayer's accommodations by Taxpayer's partners, employees, and designated clients when such accommodations are provided at no charge to such partners, employees and designated clients.

ANSWER #1: The use of Taxpayer's accommodations by Taxpayer's partners, employees, and designated clients, at no charge, is not subject to Florida sales and use tax, and any discretionary surtaxes—County discretionary sales surtax, local option tourist development tax, tourist impact tax, and Convention Development Tax—when the cost of providing the accommodations is entirely borne by Taxpayer. Sales tax and discretionary sales surtaxes apply to Taxpayer's purchases of tangible personal property for such accommodations unless specifically exempt from tax.

QUESTION #2: Whether Florida sales and use tax, and discretionary county sales and use surtax apply to Taxpayer's purchases of food and non-alcoholic beverages that will be provided at Taxpayer's facility at no charge to Taxpayer's partners, employees, and designated clients.

ANSWER #2: The purchase by Taxpayer of food and non-alcoholic beverages that qualify as exempt food products for human consumption, to be provided at Taxpayer's facility to Taxpayer's partners, employees, and designated clients, at no charge, and which cost is entirely borne by Taxpayer, is not subject to Florida sales and use tax, and any discretionary sales surtaxes. However, Taxpayer's purchases of food and non-alcoholic beverages that do not qualify as exempt food products for human consumption, to be provided as stated in this paragraph, is subject to sales tax and discretionary county sales surtaxes.

QUESTION #3: Whether Florida sales tax and discretionary county sales surtax apply to food and non-alcoholic beverages provided at the facility to the partners, employees, and designated clients of Taxpayer for no charge.

ANSWER #3: The food and non-alcoholic beverages provided that are provided by Taxpayer at its facility to Taxpayer's partners, employees and designated clients, at no charge, and which cost is entirely borne by Taxpayer, is not subject to sales tax and discretionary county sales surtaxes.

March 19, 2020

XXXXXXX
XXXXXXX
XXXXXXXXXX
XXXXXXXXXXXXXXXXXX

Re: Technical Assistance Advisement No. 20A-006
Sales and Use Tax – Transient Accommodations and Tangible Personal
Property
Sections 125.0104, 125.0108, 212.02, 212.03, 212.0305, 212.05, 212.054, and 212.08, Florida
Statutes ("F.S.")
Rules 12A-011, 12A-0115, 12A-1.061, and 12A-1.097, Florida Administrative Code ("F.A.C.")

Dear XXXXXXXXXXXXXXXX:

This letter is a response to your petition on behalf of XXXXXXXXXXX ("Taxpayer"), dated October 4, 2019 (received October 15, 2019), for the Florida Department of Revenue's (the "Department's") issuance of a Technical Assistance Advisement ("TAA") with regards to the sales tax implications on the use of transient accommodations, and the purchase of food and non-alcoholic beverages. Your petition has been carefully examined and the Department finds it to be in compliance with the requisite criteria set forth in Chapter 12-11, Florida Administrative Code. This response to your request constitutes a TAA and is issued to you under the authority of s. 213.22, F.S.

Requested Advisement

1. Whether Florida sales tax, discretionary county sales surtax, local option tourist development tax, tourist impact tax, or convention development tax apply to the use of Taxpayer's accommodations by Taxpayer's partners, employees, and designated clients when such accommodations are provided at no charge to such partners, employees and designated clients.
2. Whether Florida sales and use tax, and discretionary county sales and use surtax apply to Taxpayer's purchases of food and non-alcoholic beverages that will be provided at Taxpayer's facility at no charge to Taxpayer's partners, employees, and designated clients.
3. Whether Florida sales tax and discretionary county sales surtax apply to food and non-alcoholic beverages provided at the facility to the partners, employees, and designated clients of Taxpayer for no charge.

Brief Answer

1. The use of Taxpayer's accommodations by Taxpayer's partners, employees, and designated clients, at no charge, is not subject to Florida sales and use tax, and any discretionary surtaxes—

County discretionary sales surtax, local option tourist development tax, tourist impact tax, and Convention Development Tax—when the cost of providing the accommodations is entirely borne by Taxpayer. Sales tax and discretionary sales surtaxes apply to Taxpayer's purchases of tangible personal property for such accommodations unless specifically exempt from tax.

2. The purchase by Taxpayer of food and non-alcoholic beverages that qualify as exempt food products for human consumption, to be provided at Taxpayer's facility to Taxpayer's partners, employees, and designated clients, at no charge, and which cost is entirely borne by Taxpayer, is not subject to Florida sales and use tax, and any discretionary sales surtaxes. However, Taxpayer's purchases of food and non-alcoholic beverages that do not qualify as exempt food products for human consumption, to be provided as stated in this paragraph, is subject to sales tax and discretionary county sales surtaxes.
3. The food and non-alcoholic beverages provided that are provided by Taxpayer at its facility to Taxpayer's partners, employees and designated clients, at no charge, and which cost is entirely borne by Taxpayer, is not subject to sales tax and discretionary county sales surtaxes.

Facts As Provided

Taxpayer's letter provides the following in part:

XXXXXXXXXX ("Taxpayer") is a limited liability partnership ("LLP") formed under the laws of the State of XXXXXXXXXX and treated as a partnership for the Federal income tax purposes. Taxpayer is in the business of providing professional services and is the U.S. member of the firm of XXXXXX network of independent member firms affiliated with XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX. XXXXXXXXXXXXX carries on business activities for the overall benefit of the XXXXX network of member firms, but does not provide professional services to clients. Professional services to clients are exclusively provided by member firms affiliated with XXXXXXXXXXXXX, each of which is formed, owned and operated as a separate legal entity. Generally, due to regulatory and other requirements, the member firms are formed under the laws of the country in which they primarily operate (e.g., Taxpayer primarily operates in the U.S. and is formed under the laws of the State of XXXXXXXXXX). Taxpayer employs over 30,000 employees throughout the United States and will be the legal entity party to the transactions relevant to this TAA request.¹

Taxpayer has purchased land, which it owns directly in fee simple, and is constructing a residential training facility/campus on that land in XXXXXX, Florida ("the Facility")

¹ All employees of Taxpayer are employed directly by Taxpayer. A small number of employees are leased by Taxpayer to a related entity, XXXXXXXXXXXXXXXX. While employees leased to XXXXXXXXXXXXXXXX may also attend training and other firm-sponsored events at the Facility, this TAA request concerns only the employees of Taxpayer that are not leased to XXXXXXXXXXXXXXXX. No ruling is requested regarding the employees of Taxpayer that are leased to XXXXXXXXXXXXXXXX.

where it will hold leadership and training classes in addition to firm-sponsored events. It is currently anticipated that the facility will require a capital investment of approximately \$450 million. The Facility will house training rooms, an auditorium, a dining hall, snack stations, a fitness room, and approximately 800 single/double occupancy overnight guest rooms.

Taxpayer will hire a third party to manage and operate the Facility (the nature and certain relevant details of that arrangement are addressed in greater detail below).

The Facility is intended to host various training events for Taxpayer's partners and employees based on their position in the firm and area of specialization. The Facility will also occasionally host partners and employees from XXXXXXXXXXXXXXXX and partners and employees from other member firms affiliated with XXXXXXXXXXXX for training and other firm-sponsored events. The XXXXXXXXXXXXXXXX Affiliates are separate legal entities from Taxpayer. The Facility may also host the clients of Taxpayer and XXXXXXXXXXXXXXXX Affiliates who attend firm-sponsored events. (From this point forward, XXXXXXXXXXXXXXXX and XXXXXXXXXXXXXXXX Affiliates are referred to as "Associated Parties.") Finally, Taxpayer is considering occasionally making the Facility available for rent to unrelated third parties.

Once the Facility is operational, the cost of attending and participating in a Taxpayer-sponsored training or event (i.e., training cost, overnight accommodations, and food and non-alcoholic beverages provided during the training or event) will be at no charge to the partners and employees of Taxpayer or the clients of Taxpayer (other than for certain SEC audit clients described below). Rather, those costs will be borne entirely by Taxpayer (discussed further below). Further, the partners and employees of Taxpayer are not required to report the value of the training, accommodations or food and non-alcoholic beverage as income for federal income tax purposes. However, certain items such as alcohol, merchandise, and evening pub food will be available for personal purchase by individuals at the Facility, including partners and employees of the Taxpayer, from their own funds.

As noted, clients of Taxpayer will be invited occasionally to participate in the training and events conducted by Taxpayer at the Facility. In most cases, the costs of attendance (i.e., training, accommodations, and food and non-alcoholic beverages) will be borne by Taxpayer. However, Securities and Exchange Commission ("SEC") auditor independence rules require that, if Taxpayer is the auditor of an SEC-registered entity and an employee or officer of that entity is invited to participate in Taxpayer-sponsored training, Taxpayer is required to give the SEC-registered entity the option to pay, at cost, for the services provided to its employees or officers while attending the training session.

When a partner, employee or client of an Associated Party attends a Taxpayer-sponsored training at the Facility, Taxpayer will charge each entity for the cost of their attendance (training, accommodations and food and non-alcoholic beverages).

Finally, as noted, Taxpayer is considering occasionally renting the Facility to unrelated third parties. If this course of action is pursued, the third party would be charged for the cost of the services provided to them and for the use of the Facility.

Although the Facility will be owned by Taxpayer, it will be managed and operated pursuant to a contract (the "Services Agreement" or "Agreement") with a third party service provider, XXXXXXXXXXXXXXX ("Operator"). Under the Services Agreement,² Taxpayer "grants [Operator], as the agent of [Taxpayer], exclusive authority to manage and operate the [Facility] and to perform the related services herein described."³ [Please note that the Services Agreement refers to the Facility as the "Project".] Specifically:

(ii) [Operator] shall develop and implement all aspects of the Project's food and beverage operation, including, without limitation, (A) menu planning, *procurement and maintenance of food and beverage inventories*, and implementation of systems for cost control, (B) systems and standards of staffing, cleanliness standards, storeroom procedures, and other "back of the house" operational matters, (C) food and beverage service, catering and banquet operations, (D) acquisition and maintenance of suitable inventories for china, glass, silverware, cleaning and cooking supplies, and (E) as reasonably necessary, subject to Section 6(a)(vii) hereof, contracting with and procuring services from third party vendors in furtherance of the foregoing;

(iii) [Operator] shall manage the day to day operation of all banquet and meeting facilities within the Project, including reception service, procurement, operation and maintenance of all furniture, fixtures and operating equipment necessary or desirable in connection therewith, audio visual equipment and, reasonably necessary, procurement of services through third party providers;

(iv) [Operator] shall develop and implement means and methods for maintaining the Project in good condition and repair (including the maintenance of the buildings, building systems, and operating equipment) in accordance with the Project Standards, and shall arrange for all maintenance and service contracts reasonably necessary for the maintenance and protection of the Project and its various parts, including,

² A complete and true copy of the executed agreement is included with this request.

³ Services Agreement, Recital B.

without limitation, elevator maintenance, car park maintenance (interior and exterior), extermination services, trash removal, and fuel supply and utility services, and the procurement of all operating equipment required in connection therewith;

(v) [Operator] shall coordinate the installation, maintenance and replacement of the gardens and other landscaping features and facilities and, in connection therewith, shall procure the necessary equipment and maintenance contracts;

(vi) [Operator] shall implement a program for the provision of general housekeeping services within the Project, including, without limitation, guestrooms, hallways, lobbies and corridors, promenades, entry ways and vestibules, covered car parks, stairways and stair wells, as well as laundry service, carpet and window cleaning and general maintenance of all furniture and furnishings;⁴

As agent for Taxpayer, [Operator] will enter into service contracts in the name of Taxpayer necessary for the operation of the Facility. Specifically;

Subject to Section 6(b),⁵ [Operator] shall negotiate, enter into, and administer in the name and on behalf of [Taxpayer] service contracts and licenses required in the ordinary course of business in operating the Project, including, without limitation, contracts and licenses for health and safety systems maintenance, air condition maintenance, electricity, gas, telephone, cable, cleaning, vermin extermination, elevator and boiler maintenance, laundry, dry cleaning, master television service, rooftop license agreements, use of copyrighted materials (such as music and videos), entertainment, and other services which [Operator] deems advisable. [Operator] acknowledges and agrees that all contracts entered into with respect to the Project must be (and shall be) entered into in the name of [Taxpayer] (and not, for example, the name of the Project or [Operator] or any of its Affiliates) and [Taxpayer] acknowledges and agrees to provide sufficient written authority for the general manager of the Project or its designee on the executive committee, to enter into such contracts on [Taxpayer'] behalf;⁶

⁴ Services Agreement, Sec. 6(a) (emphasis added).

⁵ Section 6(b) of the Services Agreement limits Operator's authority to undertake certain actions in connection with the Facility on behalf of Taxpayer such as acquiring land, mortgaging any portion of the Facility, placing a lien on the Facility, or enter into any lease for space within the Facility.

⁶ Services Agreement, Sec. 6(a)(vii).

As agent for Taxpayer, Operator will be responsible for procuring all goods and services necessary for the operation of the Facility, including food and drink:

Subject to the Annual Plan, [Operator] shall be responsible for all aspects of procuring the goods (including, without limitation, inventory), operating equipment, and third party services (including, without limitation, utilities, refuse, routine and extraordinary maintenance, landscaping and construction) necessary or desirable in the operation and maintenance of the Project in accordance with the Project Standards and the terms and conditions of this Agreement.⁷

While Operator will be responsible for entering into service contracts and procuring goods and services as agent for Taxpayer, Taxpayer is ultimately responsible for all operating costs of the Facility:

[Taxpayer] agrees that any and all costs associated with constructing, developing, furnishing, equipping, *and operating the Project* (including, without limitation, all *costs associated with the procurement* of inventory, furniture, furnishings, and operating equipment for the Project, maintenance of the Project, and the implementation of required capital expenditures at the Project) shall be borne solely by [Taxpayer].⁸

Operator will maintain an operating account in the name of Taxpayer of the Facility and Taxpayer will maintain sufficient funds in the operating accounts to satisfy the working capital needs for the operation of the Facility.⁹ Operator will not be reimbursed on a cost-plus basis for procurement costs. Taxpayer will pay an annual fee to Operator under the terms of the Services Agreement for the services provided.¹⁰ To the extent any service provided by Operator to Taxpayer is subject to Florida sales and use tax, such taxes will be borne and paid by Taxpayer.¹¹ Taxpayer will maintain control over who is authorized to attend events at the Facility.

Taxpayer included with its request the following documentation:

⁷ Services Agreement, Sec. 6(a)(ix); *see also* Sec. 6(a)(ii).

⁸ Services Agreement, Sec. 5(a) (emphasis added).

⁹ Services Agreement, Secs. 5(c) and (d).

¹⁰ Operator's compensation under the Services Agreement consists of a basic fee and a possible incentive fee based on keeping operating expenses beneath the applicable annual plan and above the applicable guest satisfaction thresholds. Services Agreement, Secs. 4(a) and (b).

¹¹ Services Agreement, Sec. 4(e). "If there shall be assessed against the Service Fee (or any portion thereof) any value added or other tax, levy or assessment by the United States government or state, county or city government, the Service Fee shall be increased by such amount as shall be necessary such that [Operator] shall receive the same amount of Service Fees it would have been entitled to receive had such value added or other tax, levy, or assessment not been applicable or assessed. If after the Effective Date, any taxes, other than in relation to income taxes (which shall be borne and paid exclusively by [Operator]), are levied upon the Service Fees, such taxes shall be borne and paid exclusively by [Taxpayer], unless such taxes result from a change in jurisdiction by [Operator]." *Id.*

1. Statement of Proposed Deletions and Identification of Private and Confidential Information to Accompany Request for Technical Assistance Advisement,
2. Copy of DOR Letter of Technical Advice No. XXXXXXXXXXXXX, dated XXXXXXXXXXXX, and
3. Copy of the Services Agreement, and its exhibits.

Taxpayer's Argument

It is Taxpayer's position that:

1. The use of accommodations at the Facility by partners, employees, and designated clients of Taxpayer for no charge are not subject to Florida sales and use tax, discretionary county sales surtax, local tourist development tax, local tourist impact tax, or convention development tax.
2. Florida sales and use tax and discretionary county sales and use surtax will not apply to Taxpayer's purchase and use of food and non-alcoholic beverages that qualify as exempt "food products for human consumption" that are to be provided at the Facility to partners, employees, and designated clients of Taxpayer for no charge.
3. Food and non-alcoholic beverages will not be subject to Florida sales tax and discretionary county sales surtax when provided at the Facility for no charge to the partners, employees and designated clients of Taxpayer.

Applicable Law and Discussion

Transient Rental Accommodations

Section 212.03, F.S., governs the use of transient accommodations¹² and, in pertinent, states that it is "the legislative intent that every person is exercising a taxable privilege who engages in the business of renting, leasing, letting, or granting a license to use any living quarters or sleeping or housekeeping accommodations . . ." See also Rule 12A-1.061(1), F.A.C. Tax is imposed on the total rental charges or room rates charged,¹³ at the rate of six percent (6%). See s. 212.03(1) and (3), F.S. Discretionary county sales surtax, if any, as well as transient rental taxes—including local option tourist development, tourist impact, and convention development taxes—are also owed on the transient rental charge if the six percent (6%) Florida state sales tax applies. See ss. 125.0104, 125.0108, 212.0305, and 212.054, F.S.

¹² "Transient accommodation" means each living quarter or sleeping or housekeeping accommodation in any hotel, motel, apartment house, multiple unit structure . . . cooperatively owned apartment, condominium parcel, timeshare resort . . . or other structure, place, or location held out to the public to be a place where living quarters or sleeping or housekeeping accommodations are provided to transient guests for consideration. Each room or unit within a multiple unit structure is an accommodation. See Rule 12A-1.061(3)(f), F.A.C.

¹³ "Rental charges or room rates" includes the total consideration received for the use or possession, or the right to the use or possession, of any transient accommodation. See Rule 12A-1.061(3)(e), F.A.C.

In general, the rental of transient accommodations is subject to sales tax “unless the rental charges or room rates are specifically exempt.”¹⁴ Accordingly, s. 212.03(4), F.S., states, in pertinent part that “. . . [n]otwithstanding other provisions of this chapter, no tax shall be imposed upon rooms provided guests when there is no consideration involved between the guest and the public lodging establishment”¹⁵ and that would include when no property, goods, wares, merchandise, services, or other things of value are received, per s. 212.03(3), F.S.

Taxpayer’s request and documentation provided show that Taxpayer and the Operator entered into a “principal – agent” relationship, where Operator will manage the daily operations of Taxpayer’s Facility for a fee, and Taxpayer will provide an operating budget for expenses. Taxpayer will pay fees, and possibly a bonus, for the management and operation of the Facility, not for the use of the Facility’s rooms. Pursuant to the instant fact pattern, Operator is not engaging in the taxable business of renting, leasing, letting, or granting a license to use any living quarters or sleeping or housekeeping accommodations.

Furthermore, Taxpayer indicated that it “will not charge its partners, employees, or designated clients for the costs of providing accommodations. There will be no consideration exchanged when the Taxpayer’s partners, employees, and designated clients stay at the Facility, and the entire cost will be borne by Taxpayer.” Furthermore, Taxpayer indicated that—for accounting purposes only—it will internally allocate these costs within its business units—each of these business units is a constituent part of Taxpayer, and not a separate legal entity. Under such circumstances, the exemption made by s. 212.03(4), F.S., applies, and no sales and use tax shall be imposed upon accommodation provided by Taxpayer at no cost to Taxpayer’s partners, employees, and designated clients. Consequently, no discretionary county sales surtaxes, local option tourist development tax, tourist impact tax, or convention development tax shall be imposed either. However, any charges that are made for the use of the accommodations would be subject to tax. Furthermore, Taxpayer’s or the Operator’s purchases of tangible personal property for the Facility are subject to sales tax and discretionary county sales surtaxes at the time of purchase.

Tangible Personal Property - Food Products

Generally, Florida law provides for the imposition of sales tax upon retail sales¹⁶ of tangible personal

¹⁴ See Rule 12A-1.061(2), F.A.C., for information on exemptions.

¹⁵ See also Rule 12A-1.061(4)(f), F.A.C.

¹⁶ “Retail sale” or a “sale at retail” means a sale to a consumer or to any person for any purpose other than for resale in the form of tangible personal property or services taxable under this chapter, and includes all such transactions that may be made in lieu of retail sales or sales at retail. See s. 212.02(14)(a), F.S.

property¹⁷ in this state. Section 212.05, F.S., states in pertinent part, that every person engaging in the business of selling¹⁸ tangible personal property at retail in the state of Florida, is exercising a taxable privilege. For the exercise of such privilege, a tax is levied on each taxable transaction at the rate of six percent (6%)¹⁹ of the “sales price” of the item sold.²⁰ In addition to the Florida state tax, discretionary county sales surtaxes might be due.²¹

Nevertheless, pursuant to s. 212.08(1)(a), F.S., “[f]ood products for human consumption are exempt from the tax imposed by this chapter.” The term “food products,” as defined in s. 212.08(1)(b), F.S., means edible commodities, whether processed, cooked, raw, canned, or in other form, which are generally regarded as food. Food products include, among other items, cereals and cereal products, baked goods, meat and meat products, fish and seafood products, poultry, eggs and egg products, vegetables and vegetable products, fruit and fruit products, milk and dairy products, products intended to be mixed with milk, natural fruit or vegetable juices or their concentrates, coffee, coffee substitutes, or cocoa; and tea, unless it is sold in a liquid form.²²

Additionally, Rule 12A-1.0115(5)(a), F.A.C., states that “[f]ood products furnished by an employer to its employees are not subject to tax, provided no cash changes hands as payment for the food products furnished and the assigned value of the food products is not required to be reported as income to the employee for federal income tax purposes.” (Emphasis added)

Pursuant to the Services Agreement, Operator, as Taxpayer’s agent, will procure, prepare and serve food products and non-alcoholic beverages—on behalf of Taxpayer—to Taxpayer’s partners, employees, and designated clients. Taxpayer will entirely bear the cost of procuring, preparing and serving these products to Taxpayer’s partners, employees, and designated clients. Taxpayer will maintain enough funds in an account for Operator to procure these food products and non-alcoholic beverages on behalf of Taxpayer. Moreover, per the Services Agreement, Taxpayer is ultimately responsible for all operating costs of the Facility, including costs associated with procurement of food and drink. Operator will receive fees, and possibly a bonus, for management services, not for the food products or non-alcoholic beverages procured, prepared and served. Moreover, Operator will not be reimbursed on a cost-plus basis for procurement costs. Consequently, food products

¹⁷ “Tangible personal property” means and includes personal property which may be seen, weighed, measured, or touched or is in any manner perceptible to the senses.” See s. 212.09(19), F.S.

¹⁸ Section 212.02(15)(a), F.S., defines the term “sale” to include “any transfer of title or possession . . . of tangible personal property for a consideration.” (Emphasis added)

¹⁹ See ss. 212.05(1) and 212.06(1), F.S.

²⁰ Section 212.02(16), F.S., defines “Sales Price” as the total amount paid for tangible personal property, including any services that are a part of the sale, valued in money, whether paid in money or otherwise, and includes any amount for which credit is given to the purchaser by the seller, without any deduction there from on account of the cost of the property sold, the cost of materials used, labor or service cost, interest charged, losses, or any other expense whatsoever. “Sales price” also includes the consideration for a transaction which requires both labor and material to alter, remodel, maintain, adjust, or repair tangible personal property.

²¹ See ss. 125.0104, 125.0108, 212.0305, and 212.054, F.S.

²² See s. 212.08(1)(b)1. and 2., F.S., Rule 12A-1.011(2), F.A.C., and the Nontaxable Medical and General Grocery List (DR-46NT), incorporated by reference in Rule 12A-1.097, F.A.C., for the list of grocery products that are exempt from sales tax.

procured, prepared and served by Operator to Taxpayer's partners, employees, and designated clients at the Facility are considered food products provided by Taxpayer. Therefore, Operator is not engaging in the taxable business of selling prepared food products to Taxpayer when it prepares and serves food products and non-alcoholic beverages to Taxpayer's partners, employees, and designated clients.

Furthermore, Taxpayer indicated that it "will not charge the individual partners, employees and designated clients for the costs of providing food products and non-alcoholic beverages at the Facility to the partners, employees, and designated clients of Taxpayer." The cost will be entirely borne by Taxpayer, and Taxpayer's partners, employees and designated clients will not be required to report as income the value of the food products and non-alcoholic beverages provided by Taxpayer to them. Under such circumstances, since (i) no consideration is involved, and (ii) Taxpayer's partners, employees and designated clients will not be required to report as income the value of such food products, no taxable sale occurs when Operator, acting as Taxpayer's agent, provides food and non-alcoholic beverages to Taxpayer's partners, employees and designated clients at Taxpayer's Facility.

However, the purchase of food products and non-alcoholic beverages, as well as other tangible personal property, by the Operator/Taxpayer that are not exempt from tax are subject to sales tax and discretionary sales surtax at the time of purchase.

Conclusion

Florida sales and use tax, discretionary county sales surtax, local option tourist development tax, tourist impact tax, and convention development tax will not apply to:

1. the use of Taxpayer's accommodations by Taxpayer's partners, employees, and designated clients, at no charge, when the cost is entirely borne by Taxpayer,
2. the purchase by Taxpayer of food and non-alcoholic beverages that qualify as exempt food products for human consumption, to be provided at Taxpayer's Facility to Taxpayer's partners, employees, and designated clients, at no charge, when the cost is entirely borne by Taxpayer, and
3. the food and non-alcoholic beverages provided at Taxpayer's Facility, by Taxpayer to Taxpayer's partners, employees and designated clients, for no charge, when the cost is entirely borne by Taxpayer.

This response constitutes a Technical Assistance Advisement under section 213.22, F.S., which is binding on the Department only under the facts and circumstances described in the request for this advice as specified in section 213.22, F.S. Our response is predicated on those facts and the specific situation summarized above. You are advised that subsequent statutory or administrative rule changes, or judicial interpretations of the statutes or rules, upon which this advice is based, may subject similar future transactions to a different treatment than that expressed in this response. You are further advised that this response, your request and related backup documents are public records

under Chapter 119, F.S., and are subject to disclosure to the public under the conditions of section 213.22, F.S. Confidential information must be deleted before public disclosure. In an effort to protect confidentiality, we request you provide the undersigned with an edited copy of your request for Technical Assistance Advisement, the backup material, and this response, deleting names, addresses, and any other details which might lead to identification of the taxpayer. Your response should be received by the Department within 15 days of the date of this letter.

Sincerely,

Ivonne De Feria-Molini

Ivonne De Feria-Molini
Tax Law Specialist
Technical Assistance & Dispute Resolution
Record ID: 279127