



TIP

Tax Information Publication

TIP #22A01-03
Date Issued: 05/06/22

2022 Disaster Preparedness Sales Tax Holiday May 28, 2022 Through June 10, 2022

The 2022 Disaster Preparedness Sales Tax Holiday begins on Saturday, May 28, 2022, and ends on Friday, June 10, 2022. During the sales tax holiday period, tax is not due on the retail sale of eligible items related to disaster preparedness.

The sales tax holiday does **not** apply to:

- Commercial purchases of eligible pet evacuation supplies
- Sales within a theme park, entertainment complex, public lodging establishment or airport
- The rental or repair of any of the qualifying items listed below

References: Section 44, Chapter 2022-97, Laws of Florida; Emergency Rule 12AER22-3, Florida Administrative Code

Eligible Items

Selling for \$20 or less:

Reusable ice (reusable ice packs)

Selling for \$40 or less:

Any portable, self-powered light source (powered by battery, solar, hand-crank, or gas):

- Candles
- Flashlights
- Lanterns

Selling for \$50 or less:

Any gas or diesel fuel container, including LP gas and kerosene containers

Batteries, including rechargeable batteries, **listed sizes only (excluding automobile and boat batteries):**

- AAA-cell
- AA-cell
- C-cell
- D-cell
- 6-volt
- 9-volt

Portable Radios (powered by battery, solar, or hand-crank)

- Two-way
- Weather band

Note: Eligible light sources and radios qualify for the exemption even if electrical cords are also included.

Selling for \$60 or less:

- Coolers and ice chests (food storage; nonelectrical)
- Portable power banks

Selling for \$70 or less (New for 2022):

- Carbon monoxide detectors
- Fire extinguishers
- Smoke detectors or smoke alarms

Selling for \$100 or less:

- Bungee cords
- Ground anchor systems
- Ratchet straps
- Tarpaulins (tarps)
- Tie-down kits
- Visqueen, plastic sheeting, plastic drop cloths, and other flexible waterproof sheeting

Selling for \$1,000 or less:

Portable generators used to provide light or communications, or to preserve food in the event of a power outage

Eligible Pet Evacuation Supplies (New for 2022)

Selling for \$2 or less per can or pouch (or the equivalent if sold in a box or case):
Wet pet food

Selling for \$15 or less per item or package:

- Cat litter pans
- Collapsible or travel-sized food or water bowls
- Hamster or rabbit substrate
- Manual can openers
- Pet waste disposal bags

Selling for \$20 or less per item:

- Collars
- Leashes
- Muzzles

Selling for \$20 or less per box or package:
Pet pads

Selling for \$25 or less per item:

Cat litter weighing 25lbs. or less

Selling for \$30 or less per item:

Bags of dry pet food weighing 15lbs. or less

Selling for \$40 or less per item:

Pet beds

Selling for \$100 or less per item:

- Pet carriers
- Portable kennels

Reporting Sales

Florida dealers should report the sales of eligible items sold during the sales tax holiday period as exempt sales on their sales tax returns.

Items Normally Sold as a Unit

Items normally sold as a unit must continue to be sold in that manner; these items cannot be separately priced and sold as individual items in order to qualify for the sales tax exemption.

Example 1: A multi-battery package sells for \$25.

The package contains an assortment of AA, C, and D-cell batteries. The battery package qualifies for the tax exemption since the sales price of the package containing eligible items is less than \$50.

Example 2: A ground tie-down kit with four tie-downs and related accessories sells for \$125. The kit cannot be sold as four different packages to qualify for the exemption

Sets Having Exempt and Taxable Items

When tax-exempt items are normally sold together with taxable merchandise as a set or single unit, the sales price of the set or unit is subject to sales tax.

Example: Four AA rechargeable batteries are sold in a package that includes a battery charger for \$35. Although the batteries would qualify for the exemption if sold separately during the sales tax holiday period, the battery charger does not qualify. The full sales price of \$35 is taxable.

Buy One, Get One Free or for a Reduced Price

The total price of items advertised as “buy one, get one free” or “buy one, get one for a reduced price” cannot be averaged in order for both items to qualify for the exemption.

Gift Cards

The sale of a gift card is not taxable. A gift card does not reduce the sales price of an item. Eligible items purchased during the sales tax holiday period using a gift card qualify for the exemption, regardless of when the gift card was purchased. Eligible items purchased after the sales tax holiday period using a gift card are taxable, even if the gift card was purchased during the sales tax holiday period.

Remote Sales

Eligible items purchased through a marketplace provider or from a remote seller are exempt from Florida sales tax when the order is accepted by the marketplace provider or remote seller during the sales tax holiday period for immediate shipment, even if delivery is made after the sales tax holiday period.

Coupons, Discounts and Rebates

The sales price of an item includes all consideration received by the retailer for that item. It is not limited to the amount paid by a customer. A coupon, discount or rebate offered by the retail seller reduces the sales price of an item because it reduces the total amount received by the retail seller for such an item. Because a retailer’s coupon, discount or rebate reduces the sales price of an item, such discounts may be used to determine whether an item qualifies for the exemption.

However, a retailer is reimbursed for the amount of any discount created by a manufacturer’s coupon, discount or rebate, and the amount of the reimbursement is included in the total sales price of the item. Because the sales price is not actually reduced by a manufacturer’s coupon, discount or

rebate, such discounts cannot be used to determine if an item qualifies for the exemption.

Example 1: A customer purchases an \$1,100 generator. The retailer offers a 10% discount. After applying the 10% discount, the final amount received by the retailer for the generator (the sales price) is \$990. The generator is exempt (it is less than \$1,000).

Example 2: A customer purchases a \$55 multi-pack battery package. The manufacturer offers a \$5 instant rebate redeemed when the batteries are sold. Although the purchaser pays \$50, the retailer's sales price remains at \$55 because the retailer will receive a total of \$55 for the item: \$50 from the purchaser and \$5 from the manufacturer. The battery package does not qualify for the exemption (it is more than \$50).

Example 3: A gas container sells for \$60. The store offers an instant rebate of \$10 for the purchase of the gas container. The customer redeems the \$10 store rebate and pays the retailer \$50 for the gas container. The retailer's sales price is reduced to \$50, and the gas container qualifies for the exemption.

Returns

When a customer returns an eligible item purchased during the sales tax holiday period and requests a refund or credit of tax:

- The customer must produce a receipt or invoice showing tax was charged and paid on the original purchase of the item; or
- The retailer must have sufficient documentation to show tax was paid on the original purchase of the item.

Exchanging a Purchase After the Sales Tax Holiday Period

When a customer purchases an eligible item during the sales tax holiday period, then later exchanges the item for the same item (e.g., different size or different color), no tax will be due, even if the exchange is made after the sales tax holiday period.

When a customer purchases an eligible item during the sales tax holiday period, then later returns the item and receives credit toward the purchase of an item that did not qualify for the exemption, the new item purchased is subject to sales tax.

Rain Checks

Eligible items purchased during the sales tax holiday period using a rain check qualify for the exemption regardless of when the rain check was issued.

However, issuance of a rain check during the sales tax holiday period will not allow for an eligible item to be exempt if the item is purchased after the sales tax holiday period.

Layaway Sales

A layaway sale is a transaction in which merchandise is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time and receives the merchandise at the end of the payment period.

Eligible items sold as layaway sales qualify for the exemption when the customer:

- Accepts delivery of the merchandise during the sales tax holiday period; or
- Puts an eligible item on layaway, even if final payment is made after the sales tax holiday period.

Service Warranties

The taxation of any charges for a service warranty contract depends on the taxability of the product being sold. If the retail sale of an item is exempt from tax, the charge for a service warranty sold with the item is exempt.

Shipping and Handling

When separately stated shipping charges are part of the sales price and both taxable and exempt items are listed on a sales invoice or receipt, the shipping charges must be proportionately allocated to the charge for each item to determine the total sales price of the item. The charge for each item is divided by the total charge of all the items ordered to obtain the percentage of charge that each item bears to the total order. The amount of the shipping charge applicable to each item is calculated by multiplying the total shipping charge by the percentage of cost for each item. If the item sold is exempt, the associated shipping charge is also exempt.

Panama City and Panama City Beach Dealers

Only: Panama City and Panama City Beach impose a 1% merchant's license fee or tax on retailers. The merchant's license fee is included in the sales price of each item. When the fee is

separately stated, and both taxable and exempt items are listed on a sales invoice or receipt, the merchant's license fee must be allocated to the charge for each item on the invoice. If the item is exempt, the associated merchant's license fee is exempt.

Example – Panama City and Panama City Beach ONLY: An ice chest sells for \$59.95. The 1% merchant's license fee is \$0.60. The total sales price of the ice chest is \$60.55 (\$59.95 + \$0.60). The ice chest does not qualify for the sales tax exemption.

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 the Department's website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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