

TO: ALL COUNTY PERSONNEL

**FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR**

PREPARED BY: OFFICE OF FINANCIAL MANAGEMENT & BUDGET (OFMB)

SUBJECT: SALES TAX COLLECTION AND REPORTING

PPM #: CW-F-018

ISSUE DATE
August 6, 2019

EFFECTIVE DATE
August 6, 2019

PURPOSE:

To institute uniform procedures for the collection of sales taxes and their timely reporting to the Finance Department and the Florida Department of Revenue.

UPDATES:

Future updates to this PPM will be the responsibility of the Director of OFMB .

AUTHORITY:

- Florida Statutes, Chapter 212, as may be amended;
- Florida Administrative Code - Chapter 12A-1 “Sales and Use Tax Rules,” as may be amended;
- Palm Beach County Administrative Code, Section 303.00, as may be amended.

BACKGROUND:

Chapter 212 of the Florida Statutes, “Tax on Sales, Use and Other Transactions,” details those taxable events requiring the collection of sales tax, which include the selling of tangible personal property at retail; renting, leasing, letting or granting a license for the use of any real property; and selling or receiving anything of value by way of admissions. The “Sales and Use Tax Rules” of the Florida Administrative Code, as administered by the Florida Department of Revenue (DOR), provides an in depth analysis of taxable revenue.

POLICY:

In order to ascertain County revenues subject to the collection of sales tax under Florida Statutes, all departments shall prepare and maintain departmental PPMs containing the following information:

1. A list of all departmental revenues for goods and services specifying which are taxable or non-taxable.

2. Designation of the departmental employee who will be responsible for the handling of sales tax questions/problems.
3. Collecting and reporting sales tax procedure.
4. Maintain proper documentation and records for all reported sales tax transactions.

Copies of these departmental PPMs are to be sent to the Finance Department, Revenue & Cash Management, within 5 days of their initial creation or revision.

PROCEDURES:

1. Taxable and Non-taxable Departmental Revenues List

The Revenue Type Form (Attachment A) is used to compile a list of all departmental revenues for goods and services specifying which are taxable or non-taxable. The “Sales and Use Tax Rules” are to be used for this determination.

A copy of the most recent “Sales and Use Tax Rules” is available online at <https://revenuелaw.floridarevenue/Pages/Browse.aspx>.

2. Sales Tax Questions/Problems

If the taxability of a revenue item is unclear after the review of the Rules, a ruling may be necessary from the Florida Department of Revenue (DOR). The request for a ruling must refer to a particular statute or rule which is to be furnished by the submitting department.

The Clerk and Comptroller’s - Finance Department, Revenue & Cash Management, (Finance Revenue) will request the ruling and communicate the DOR response to the departmental employee responsible for handling sales tax questions/problems. Finance Revenue will maintain a directory of such rulings to prevent duplication.

An exception to this process would apply to the Department of Airports. They would directly request DOR rulings relative to their department. Copies of the request for rulings and responses are to be sent to the Finance Revenue .

3. Collecting and Reporting Sales Tax

The accurate daily reporting of departmental revenues and sales tax collected is essential for the completion of the monthly sales tax report to the Department of Revenue.

All tax collected will be recorded in the Financial System in the respective balance and sub-balance sheet accounts.

To report taxable and non-taxable revenue, Departments that collect sales tax must

identify the taxable and non-taxable revenue with a sub-revenue source code in the Financial System. However, if the department has existing sub-revenue source codes, then a monthly detailed report containing taxable and non-taxable amounts and sales tax collected for each corresponding entry into the Financial System must be provided to Revenue & Cash Management by the close of the fiscal period.

Finance Revenue will run a report at least once a month from the Financial System and reconcile to either the sub-revenue postings or the reports provided by the departments. If a discrepancy is found, Finance Revenue will notify the department; at which time the department will be required to provide Finance Revenue via email, a copy of the cash receipt and all supporting documentation so that the discrepancy can be identified and corrected, as necessary.

When goods or services are sold to tax exempt organizations, their tax exemption number shall be noted on the issued receipt. A master file of such numbers shall be maintained by the designated departmental employee responsible for handling sales tax matters.



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Supersession History:

1. PPM #CW-F-018, effective 6/1/90
2. PPM #CW-F-018, effective 8/1/99
3. PPM #CW-F-018, effective 11/1/2010
4. PPM #CW-F-018, effective 01/01/2015

ATTACHMENT A

TAXABLE AND NON-TAXABLE REVENUE TYPES

<u>REVENUE TYPE</u>	<u>TAXABLE / NON</u>	<u>REFERENCE</u>
Photo Copies	Y	12A-1.027 (1) & (2)
Fines	N	F.S. 212.02 (12) & (13)