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ATTENTION RETAILERS: NO SALES TAX HOLIDAY THIS YEAR

From 1998 to 2001, the state of Florida held annual sales tax holidays during which retailers offered clothing, footwear and related accessories for sales tax-free in late July and early August. These sales tax holidays became very popular with back-to-school shoppers.

Each year, the sales tax holiday was authorized by a separate state law specifying that no sales tax would be charged on these items during a 9-day period in that particular year. No such law is in place for 2002. **Therefore, retailers need to collect sales tax as usual during late July and early August 2002.**

NEW LAW REQUIRES BUSINESSES TO ELECTRONICALLY FILE SALES TAX AND UNEMPLOYMENT TAX

Beginning in January 2003, some businesses will have to file tax returns and pay the tax electronically. A new state law requires businesses that collect more than \$30,000 in the last year in sales tax from their customers to file their tax returns and remit the tax electronically. (Currently, businesses collecting more than \$50,000 a year in sales tax are required to file electronically.) Also, the law requires Florida taxpayers to file intangible tax electronically if the individual taxpayer, couple, or business owes \$30,000 or more in tax.

In addition, the law requires electronic filing of unemployment compensation tax quarterly reports (UCT-6) and electronic payment of unemployment tax for businesses that had 10 or more employees (including both full-time and part-time employees) in any calendar quarter in the 12 months ending June 30.

Businesses should enroll for the new filing methods starting in September 2002. You will be required to file and pay tax using the new methods starting January 1, 2003. Businesses required to electronically file unemployment compensation tax will be required to file reports and pay tax electronically for the quarter ending March 31, 2003.

Florida Department of Revenue officials have worked to make electronic filing safe, convenient and low in cost. The Department has implemented new electronic filing options that allow businesses to file the DR-15 and the DR-15EZ sales and use tax returns through a secure connection on the Internet, without having to buy special software or pay extra fees.

The new electronic filing requirements also apply to:

- So-called “zero” tax returns in sales, unemployment, fuel, communications services, and intangible taxes. These are returns in which taxpayers owe no tax but still are required to file a return. Individuals and couples owing no intangible tax are not required to file returns and are not affected by this provision.
- Businesses that have operations in more than one county and that file consolidated tax returns.
- Any business or individual that filed unemployment compensation tax reports for 5 or more employers during the previous year.

To file tax returns electronically, businesses will need to have access to computers using Microsoft Internet Explorer 5.0 or better. While businesses will be able to access the web-based filing functions on the Department of Revenue’s website using popular Internet service providers such as America Online (“AOL”), the business will have to “minimize” AOL and open Internet Explorer 5.0 to successfully file sales tax and unemployment tax returns. If you do not have Internet Explorer 5.0, it is available as a download

on the Department of Revenue's website.

The new law also allows for certain businesses to exempt out of filing their tax returns electronically. You can get a **waiver** from the requirement to file your sales and unemployment tax returns on-line by stating that:

- Your business does not have a compatible computer that meets or exceeds the minimum standards required to file on-line; or
- You need more time to program your computer to begin filing on-line; or
- Complying with the requirement to file on-line would cause you financial hardship; or
- Complying with the requirement to file on-line conflicts with your business procedure.

Please note that while you can seek a waiver from the requirement of filing your sales and unemployment compensation tax returns electronically, the law does not allow exceptions for electronic payment of tax by businesses that fall into the mandatory filing category. These businesses are required to pay tax electronically, through electronic funds transfer ("EFT"), by credit card, or by ACH transfer.

For general information about the new filing requirements, please call the Florida Department of Revenue at 1-800-352-3671 (within Florida) or 850-488-6800 (outside Florida). Or, visit the Department of Revenue's website at www.myflorida.com/dor/. Click on the e-services icon or "e-filing."

FUBA DUES TO INCREASE EFFECTIVE OCTOBER 1, 2002

Florida United Businesses Association ("FUBA") has been representing Florida small businesses since 1990, working diligently to keep you up-to-date on legislative and regulatory changes that affect your business. For 12 years, our dues have remained at \$50.00 per year. However, due to increases in our operating expenses (printing, postage, and the like), we are raising our annual dues to \$85.00, beginning with all members whose membership renews in October.

For 12 years, we have provided our members with the resources to help them run their business, including:

- When you joined, you received a free "all-in-one"

labor law poster that contains all required state and federal employment notices that must be posted at your place of business.

- ISSUES, our monthly newsletter that keeps you informed of the legislative and regulatory changes that affect your business.
- Our "First Call" Program, where we help you comply with the maze of state and federal regulations affecting your business. You can call us when you have questions about employment regulations, such as providing breaks/lunch hours, hiring/firing, sick leave, child labor, etc. We will research your question, call you back with the answer, and send you all the necessary forms (if any), at no charge.
- The Small Business Advisor, which is a comprehensive booklet providing detailed information on the following subjects important to small businesses
 - Employee Compensation – which employees are entitled to overtime pay; how to compute hours worked; whether you have to give meal breaks and whether they can be unpaid; and typical problems in specific industries.
 - Unemployment Compensation – how to reduce your unemployment tax rate; how to disqualify a worker from receiving unemployment benefits; preventing unemployment claims; and appealing when a former employee is awarded benefits unjustly.
 - Workers' Compensation – who has to have it; who can be included/excluded; what to do when an injury occurs; and what injuries are covered by workers' compensation.
 - Handling Worthless Checks – what information must be on a check; whether you can ask to see a credit card when taking a check from a customer; what to do when you get a worthless check; and alternative ways to collect on worthless checks.
 - State Government Locator – a comprehensive list of the various state agencies regulating small businesses and who to call in state government when you have specific questions. Web sites are also included for all agencies.

If you have any questions about the annual membership dues increase, please call us at 800-262-4483 and ask for the membership department.