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NEW FEDERAL MINIMUM WAGE POSTER ENCLOSED

Employers should be advised that the federal minimum wage has been increased to \$5.85 an hour as of July 24, 2007. Florida employers are required to post the new federal minimum wage poster at their workplaces. The new poster is included with this newsletter.

As a benefit of your FUBA membership, we are providing this new poster free of charge. Simply paste it on top of the old federal minimum wage poster that is part of your All-In-One employment poster we provided you when you first joined FUBA. By doing this, you will be in full compliance with the new posting requirement. No other new poster is required.

Please remember that Florida has its own minimum wage and that Florida businesses must pay their employees either the Florida minimum wage or the federal minimum wage, whichever is higher. At this time, the Florida minimum wage is higher, at \$6.67, so Florida employers should still continue to pay the higher Florida rate to their employees.

If you have questions about the minimum wage or if you would like to request additional copies of the federal minimum wage, please contact Erin in our Membership Department at 888-262-4483.

MINIMUM WAGE UPDATE

In order for us to provide you with the most up-to-date information on Florida and the federal minimum wages, we request that you update page 2 of FUBA's Small Business Advisor handbook with the following information. Simply copy, cut and insert the following text:

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- Florida has its own state minimum wage that changes every year.
 - From January 1, 2007 to December 31, 2007, Florida's minimum wage is \$6.67 an hour.
 - From January 1, 2007 to December 31, 2007, Florida's minimum wage for tipped employees is \$3.65, in addition to tips.
 - All Florida businesses must display a Florida minimum wage poster in a place where employees can see it. Display this poster next to your all-in-one poster that FUBA provided for you in your new member packet.
 - The Federal minimum wage will increase in 3 stages on the following schedule:
 - \$5.85 per hour effective 7/24/07
 - \$6.55 per hour effective 7/24/08
 - \$7.25 per hour effective 7/24/09
 - Employers must pay whichever minimum wage rate is higher.
 - On the current schedule, the new federal minimum wage will not affect Florida employers until July 24, 2009.
 - All Florida employers will be required to post the new federal minimum wage poster when they become available.
 - Through your FUBA membership, you will receive everything you need to stay in compliance with all poster requirements.

ATTENTION RETAILERS:
TAX-FREE DAYS ARE
AUGUST 4TH – AUGUST 13TH, 2007

The sales tax holiday is here again. If your business sells books, clothing, footwear, certain accessories, or certain school supplies in Florida, the upcoming Sales Tax Holiday may impact your business. For 10 days in early August, these items will be tax-free (if they meet certain price restrictions).

Here are some details about this year's tax-free shopping days:

- The tax-free days will run from 12:01 a.m. August 4, 2007 through midnight, August 13, 2007.
- Tax-free items are books, clothing, footwear, and certain accessories selling for \$50 or less. Also exempt are school supplies selling for less than \$10.
- To be tax-free, books must be \$50 or less each. Newspapers, magazines, periodicals, and audio books are not considered books and are still taxable.
- To be tax-free, clothes and footwear must be \$50 or less. "Clothing" does not include watches, watchbands, jewelry, umbrellas, or sporting equipment. These items are taxable.
- To be tax-free, school supplies must be \$10 or less each. "School supplies" means pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, composition books, poster papers, scissors, tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators.

Retailers are not required to keep additional or special records for the tax-free days. Simply continue the sales tax records that you normally would keep. Sales of eligible items that are sold tax-free from August 4, 2007 through August 13, 2007, should be reported as exempt sales on your sales tax return for that period. The Florida

Department of Revenue has mailed a detailed Tax Information Publication to all active registered sales tax dealers explaining:

- A detailed list of items that are tax-free and which ones are taxable
- What to do when a product contains both exempt and taxable items
- How to deal with gift certificates
- How to handle exchanges of tax exempt purchases after the tax-free days are over
- How to do refunds during/after the tax-free days
- How to handle coupons, rebates, discounts, rain checks and layaways
- How to handle tax-free sales in Bay County

If you would like a copy of the Department's Taxpayer Information Publication on the sales tax holiday, please visit the FUBA website at www.fuba.org. If you have questions about the sales tax holiday, call the Department of Revenue's toll-free Taxpayer Assistance line at 1-800-352-3671 between 8 a.m. and 7 p.m. weekdays. Or, you can visit the Department's website at www.myflorida.com/dor. There, you can find an 8" x 11" poster of the tax-exempt items in a PDF format which you can print and keep at each register.

INSURANCE GUIDE AVAILABLE

The Florida Department of Financial Services has published an informative booklet called "Small Business Owners' Insurance – A Guide for Consumers." The guide describes what insurance is required for small businesses and explains optional coverage you may need to consider, including health insurance. You can print a free copy of the guide from the Department's website – we have provided a link to the guide at www.fuba.org that will take you straight to the right website. The guide is available in both English and Spanish.