



FUBA

Florida United Businesses Association

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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ATTENTION RETAILERS: TAX-FREE DAYS ARE HERE AGAIN AUGUST 13 – AUGUST 15, 2010

For the first time since 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 3 days in mid-August, these items will not be subject to state sales tax (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 13, 2010 through midnight, August 15, 2010. Please note: there are only 3 tax-free days this year; prior tax holidays were 10 days long.
- 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 13th through the 15th 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 and click on Small Business Alert on the left-hand side. Also on our website is a detailed, alphabetized list of items and whether they will be taxed or not. 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.

CONTRACTORS: MOST STATE LICENSES HAVE TO BE RENEWED BY AUGUST 31ST

If you are a **state-licensed electrical or alarm contractor (either certified or registered)** OR a **state-licensed building contractor who is "certified" to work statewide**, your license expires on August 31st of every even-numbered year. You have until the end of August to complete your continuing education requirements and pay your license renewal fee. More information for each type of license is below.

Electrical and Alarm Contractors:

- An **electrical contractor** is someone who installs, repairs, alters, adds to or designs electrical wiring, fixtures of appliances which generate, transmit or use energy.
- An **alarm contractor** lays out, fabricates,

installs, maintains, repairs, monitors, inspects, replaces or services any electrical device or signaling device used to detect a burglary, fire, robbery or medical emergency.

- Every licensed electrical or alarm contractor falls into 1 of these 2 categories: **certified** contractors (who can work anywhere in the state of Florida) or **registered** contractors (who can only work in those local cities or counties where they hold a license).
- **Certified** electrical or alarm contractors have taken and passed a state licensing exam and hold a state license issued by the Florida Department of Business & Professional Regulation. Because these contractors have proven their expertise through an exam, they are allowed to perform work under their license anywhere in the state of Florida.
- **Registered** electrical or alarm contractors hold a local electrical or alarm contractor's license that has been issued by a city or county (not the state of Florida). Registered electrical or alarm contractors (also called "locally-licensed") may only perform work under their license in the cities or counties where they hold a local license; they may not work statewide. These locally-licensed contractors are required to register their local license with the state Department of Business & Professional Regulation before they are cleared to perform work.
- Both Certified and Registered electrical and alarm contractors must renew their license prior to August 31st of each even year. Prior to renewing the license, you are required by law to take 14 hours of Board-approved continuing education. You cannot renew your license until you have completed your continuing education requirements.
- The fee to renew a Certified electrical or alarm contractor's license is \$300.
- The fee to renew a Registered electrical or alarm contractor's license is \$125.
- For the 2010 license renewal, there will be a one-time special assessment of \$75 per license, due along with your renewal fee.

Building Contractors:

- A **building contractor** performing the following types of construction work must hold a state contractor's license issued by the Florida Department of Business & Professional Regulation's Construction Industry Licensing Board: general contracting; building; residential contracting; sheet metal; roofing; air-conditioning; mechanical; swimming pool/spa; plumbing; underground utility and excavation; solar; pollutant storage.
- Every state-licensed building contractor performing any of the above type of work falls into 1

of 2 categories: **certified** contractors (who can work anywhere in the state of Florida) or **registered** contractors (who can only work in those local cities or counties where they hold a license).

- **Certified** building contractors have taken and passed a state licensing exam. Because these contractors have proven their expertise through an exam, they are allowed to perform work under their license anywhere in the state of Florida.
- **Certified** building contractors must renew their license prior to August 31st of each even year. Prior to renewing the license, you are required by law to take 14 hours of Board-approved continuing education. You cannot renew your license until you have completed your continuing education requirements.
- The fee to renew a Certified building contractor's license is \$209.
- **Registered** building contractors hold a local contractor's license issued by a city or county and must "register" their local license with the state before they are cleared to perform work. They may only perform work under their license in the cities or counties where they hold a local license; they may not work statewide. **Registered building contractors' licenses do not expire until August 31st of odd-numbered years**, so you have until August of next year to renew your license. **If you are a Registered building contractor, this article does not apply to you.**
- Some construction work does not require a state license, such as cabinets, countertops, flooring, paint, wallpaper and window treatments. If you perform this kind of work, you may need a local contracting license from your city or county, but no state license is required. **If you do not hold a state license, you are not subject to state licensure and this article does not apply to you.**
- The state no longer requires contractors to obtain a Qualified Business License. This was a separate license (also called a Certificate of Authority) issued to the construction company instead of the licensed individual contractor. Starting last October, contractors will still be required to qualify their construction businesses with their individual license, but there will be no separate Qualified Business License requiring renewal every 2 years.

To renew any of the state-issued licenses discussed above, visit DBPR's website at myfloridalicense.com and click on Renew/Maintain a License. If you have any questions about what type of work requires a license in Florida, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.