

JULY 2006

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**ATTENTION RETAILERS:
“HAPPY SHOPPER” TAX-FREE DAYS
ARE JULY 22 – JULY 30, 2006**

The sales tax holiday is here again. Again this year, no sales tax will be collected on books, clothing, footwear, accessories, and school supplies for 9 days starting Saturday July 22nd and running through midnight on Sunday July 30th.

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

- The tax-free days will run from July 22, 2006, to July 30, 2006.
- Tax-free items are books, clothing, footwear, and 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 July 22, 2006 through July 30, 2006, should be reported as exempt sales on your sales tax return for that period.

The Florida Department of Revenue mailed a

detailed Tax Information Publication to all active registered sales tax dealers the second week of June explaining:

- A detailed list of items that are tax-free and which ones are taxable
- What to do when a set 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 following website: www.myflorida.com/dor/tips/pdf/tip06a01-04.pdf. 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.

**HOW DO I HANDLE OVERTIME
PAY FOR A WEEK WITH A
PAID HOLIDAY?**

Since we are approaching the 4th of July holiday, we wanted to remind employers about your rights and responsibilities for paying your salaried, non-exempt employees during weeks with paid holidays.

Q: During a work week that contains a holiday, if I pay my employees for 8 hours on the holiday but they do not work those 8 hours, do those 8 hours count towards their total hours worked and then entitle them to overtime pay if they go over 40 hours for the week?

A: The short answer is “no.” Overtime is only calculated on the hours an employee actually works. If an employee is paid but is not actually working (for example, a paid holiday, paid sick leave, etc.), that time is not counted as time at work. The 8 hours of the holiday do not count as work, since the employees were given the day off and were not at work. Therefore, **in a holiday week, if the employees are paid for the holiday and do not actually work that day, they are allowed to work up to 40 hours on the remaining days in the work week.**

Also, remember that the law does not require employers to pay their employees for not working on a holiday. In short, you are only obligated to pay your employees for hours they actually work.

Please call FUBA at 800-262-4483 or email Cameron at Culrich@fuba.org if you have a wage and hour question.

ATTENTION CONTRACTORS: LEGISLATIVE UPDATE

During the recent session of the Florida Legislature, lawmakers approved several bills related to construction contracting. The following bills became effective July 1, 2006 and are important to Florida’s contractors:

HB 1089 - Construction Contracting HB 1351 - Contracts Entered Into By Unlicensed Contractors

Below is a breakdown of the major points of the bills that every construction contractor should know about:

HB 1089: CONSTRUCTION CONTRACTING

- If there is a problem with the design, planning, or construction of an improvement to real property, the time limit for filing a lawsuit is decreased from 15 years to 10 years from the latest fixed event, such as the delivery of a product or the completion of work.
- Condo contractors, subs, and suppliers must give condo developers and unit owners warranties of fitness for work done and supplies used. The warranties of the developer apply to the conversion of an existing improvement if construction of the improvement was started before it was designated by the developer as a condominium.
- The warranties of the developer to the purchaser

of a unit do not apply to such a conversion.

HB 1351: CONTRACTS ENTERED INTO BY UNLICENSED CONTRACTORS

- Local governments cannot require an electrical or alarm contractor to be UL listed or certified by any regional or national testing or certification authority.
- Counties or municipalities can require an electrical or alarm system contractor to provide documentation that a nationally recognized testing lab has inspected the alarm system.
- Both of the following provisions are retroactive and apply to ongoing and future cases:
 - ❑ A contractor is not an unlicensed contractor if no license is required for the work being performed.
 - ❑ A business is not unlicensed if the department (DBPR) has failed to take timely action on an application.
- Within alarm contractor licensing, it exempts OSHA recognized national testing agencies who perform inspections, testing and quality assurance, and persons who repair and install lightning rods.
- To register as a contractor, the applicant must be at least 18 years old and of good moral character.
- The central monitoring station must have call-verification methods for the premises generating the alarm signal if the first call is not answered.
- Fire alarm signals are exempt from the statutory requirement for other types of alarms whose signals must automatically terminate after 15 minutes.
- The legal definitions of alarm system contractor, monitoring, burglar alarm system agent, and nationally recognized testing lab have been updated.

If you would like copies of these new laws, please call FUBA at 800-262-4483 or email Cameron at Culrich@fuba.org.