

Established 1946

Offices of  
**Crown & Company**  
Certified Public Accountants

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June 3, 2010

Dear Client:

RE: Residential Rentals  
Sales and Tourist Development Tax

Residential rentals for less than 6 months are subject to a 6% State Sales Tax, a local option Sales Tax (1% in Pinellas County), and possibly a Tourist Development Tax that should be collected from tenants. These taxes generally can be paid on a monthly or quarterly basis. Non-payment of these taxes can result in owing tax, penalties and interest.

The Tourist Development Tax varies by county (5% in Pinellas). Rentals include houses, condominiums, timeshares and other living accommodations.

The lessor (property owner) is responsible to collect both Sales Tax and Tourist Development Tax from tenant and to remit the tax to the appropriate governing body.

Please see attached information from the Pinellas County Tax Collector's Office. Although this is from Pinellas County, the information may be relevant to other counties. Also, please see the attached county-by-county schedule of Tourist Development Tax and local option rates. Other states may have similar provisions.

It should be noted that if the required reports are not filed, the Statute of Limitations could extend indefinitely, significantly increasing the tax and resultant penalties and interest.

Governor Crist signed a Bill on May 28, 2010 directing the Florida Department of Revenue to develop and implement an Amnesty Program. This program will run from July 1, 2010 through September 30, 2010. If a taxpayer has not filed Sales Tax or Tourist Development Tax returns in the past, he/she can pay the past-due tax and avoid penalties.

If you have questions or concerns about existing rental properties and compliance with these rules, please feel free to contact us.

Very truly yours,

  
Crown & Company

/gac  
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## Frequently Asked Questions Tourist Development Tax

### 1.) What is Tourist Development Tax?

The 5% Tourist Development Tax is in addition to the total rental amount received from any person who rents, leases, or lets for consideration any living quarter or sleeping or housekeeping accommodation. These taxes are regulated by State Law (Florida Statute 125.0104), which requires that the monies "shall be placed in the county tourist development trust fund of the respective county, which shall be established by the county. In Pinellas County, the Board of County Commissioners determines the distribution of revenue from the Tourist Development Tax. One of the primary recipients of the revenue is the St. Petersburg/Clearwater Area Convention and Visitors Bureau, which works to promote and advertise tourism for Pinellas County.

### 2.) Are there any other taxes and/or fees?

In addition to the 5% collected for Tourist Development Tax for Pinellas County, a 7% sales tax is collected by the Department of Revenue – (a separate entity) [www.myflorida.com/dor](http://www.myflorida.com/dor) - phone (727) 538-7388 for a total of 12% collected for the rental. Customers may want to check with local authorities in the city of the rental for any additional requirements.

### 3.) Who must pay?

Any renter who resides for a period of six (6) months or less in a facility located in Pinellas County must pay the taxes to the owner or the owner's representative of the rental property.

### 4.) How do I sign up?

You can access an application at our website: [www.taxcollect.com](http://www.taxcollect.com) / Online forms / Tourist development / Application for a Tourist Development Tax Number. The application may be filled out and printed, or printed and filled out, signed and may be faxed, sent by postal mail or scanned and emailed to: [PCTCID@Taxcollect.com](mailto:PCTCID@Taxcollect.com). The mailing address is on the third page of the application. The mailing address is:

Diane Nelson, CFC,

Pinellas County Tax Collector,  
P. O. Box 2943,  
Clearwater, FL 33757.

The fax number is: (727) 464-5230. Your account will be set up by our Tourist Development Department and you will be contacted by our office to verify all information regarding your account. If you do not have internet access, an application can be mailed to you upon request.

### **5.) How often do I have to file a return?**

You have the option of filing returns on a monthly or quarterly basis. Monthly filing is applicable for rentals that are available throughout the year. Tax returns are required to be filed every month. A quarterly filing requires tax returns to be filed four times a year; however the total tax paid for the quarter cannot exceed \$300.00. Please note, even if you do not have any rentals during the month or quarter, a zero tax return must be submitted timely to avoid a late filing charge.

In all cases, taxes are due the 1st of the month following the rental period regardless of rentals, and are considered delinquent after the 20th of the month. Payments are considered delinquent if not postmarked by the 20th of the following month. For example, a January tax return must be postmarked by February 20th to be considered timely. If postmarked after February 20<sup>th</sup>, the tax return will be considered delinquent and subject to penalties and interest.

### **6.) What do owners and agents of these short-term facilities receive for collecting the tax from their guests?**

A collection allowance of 2.5% of the tax collected when the tax return is timely filed. There is a maximum collection allowance of \$30.00. The collection allowance is compensation for keeping records, proper accounting and remitting the taxes on a timely basis.

### **7.) Which renters are exempt from the tax?**

Anyone who is exempt from paying State Sales Tax will also be exempt from paying the Tourist Development Tax. Some exempt classifications include full-time students, active duty military personnel, churches and non-profit organizations that have a Certificate of Exemption issued by the Florida Department of Revenue. Please contact our office for additional information regarding exempt rentals.

### **8.) What if I have a long-term renter? Do I still have to pay?**

Renters who have signed a bona fide written lease in excess of six (6) months are exempt from the tax. A lease must meet the criteria of the Department of Revenue, Rule 12A-1.061(15) to be considered bona fide. Renters who have paid the Tourist Development Tax for the first six (6) months (without a lease) will become exempt in the seventh month and remain exempt as long as they reside at the same location, based on continuous residency.

**9.) If I rent to a resident of Florida or to a Pinellas County resident, do I have to collect the Tourist Development Tax from them since they are not transients?**

Yes, this tax is applicable to all guests who rent an accommodation for six (6) months or less, whether or not they are residents of Florida or Pinellas County.

**10.) I only rent my property out for three months of the year to the same couple; do I have to charge them tax?**

Yes, you would need to charge the tax and remit the Tourist Development Tax to our office.

**11.) I allow friends and relatives to use my property during the year. Am I required to collect the Tourist Development Tax from them?**

If you collect rent from them, or accept any other form of compensation in lieu of rent, you are required to register with our office to collect and remit the tax, based upon the amount of rent received, or upon the fair market value of the compensation received in lieu of rent.

**12.) A rental agent always handles my rental property. Do I need to apply for a Tourist Development Tax Account and submit monthly tax returns?**

The rental agent should have their own account number to report their rental properties on a consolidated tax return in order to remit the taxes. However, you should be aware that as the property owner you are ultimately responsible for the required tax to be paid in case the rental agent fails to do so.

**13.) If I use a rental agent, but also rent periodically on my own, must I have my own account number or can I give the taxes to my realtor to add to their tax return?**

Yes, you are required to register with our office to collect and remit the tax collected by you. You cannot give the tax monies you collected to a third party to remit on your behalf. The tax dollars you collect belong to the taxing authorities at the moment of collection. You serve as the trustee or custodian of these funds until you remit them directly to the state and county.

**14.) How do I close my account or change my account information?**

All requests regarding account changes must be made in writing and submitted to the Tax Collector's office via email, fax or mail.

Mailing address:

Diane Nelson, CFC,  
P O Box 2943,  
Clearwater, FL 33757.

Fax: (727) 464-5230

Email: [PCTCTD@Taxcollect.com](mailto:PCTCTD@Taxcollect.com)

**15.) When is a Power of Attorney necessary?**

A signed Power of Attorney form is necessary if you would like us to discuss your Tourist Development Tax Account with someone who is not an owner, officer, or partner in the business (e.g., your accountant, attorney, or bookkeeper). Power of Attorney Form (Requires Adobe® Acrobat™ Reader to view.)

**16.) Do I have to file a tax return even if I don't owe any tax?**

Yes, Florida law requires that a tax return must be filed based on your collection period, even if no tax is due for that period. A late-filed tax return is subject to a minimum \$50.00 penalty, even if no tax is due.

**17.) What are the penalties for non-compliance?**

The penalties can be costly if the taxes are not remitted properly and on time. If the tax return is delinquent, the following penalties apply:

- a. The collection allowance of 2.5% of the tax collected is lost.
- b. There is a flat 10% penalty or \$50.00 minimum penalty due on the Total Tax Collected for each month.
- c. There is currently a floating rate of interest that will be added for each day of delinquency. There is no maximum on the interest charged. See "Interest Rates" or call (727) 464-7777.
- d. Charges for returned checks range from \$25.00 to \$50.00, depending upon the amount of the check.

**18.) What remedies does the Tax Collector have available if someone breaks the law and does not collect the Tourist Development Tax as required, or collects the Tax but does not remit it to the Tax Collector?**

Among other statutory remedies, a warrant may be issued and filed in Pinellas County Official Records, creating a lien against their Real and/or Personal Property in Pinellas County.

**19.) How can I contact you?**

Mailing address: Diane Nelson, CFC, P O Box 2943, Clearwater, FL 33757.  
Fax: (727) 464-5230

Email: [PCTCTD@Taxcollect.com](mailto:PCTCTD@Taxcollect.com) or Telephone: (727) 464-7777

## County Tax Rates for Tourist Development and Discretionary Taxes

\*Please note that counties who self-administer their Tourist Development Tax are not required to report rate changes to the Florida Department of Revenue, therefore, their information may not be accurate. We apologize for any inconvenience this may cause. In addition, the Tourist Development rates below do not include any applicable Tourist Impact Tax or Convention Development Tax.

County #	County	Tourist Development			Discretionary				County
		Rate	Start	Self-Admin*	Rate	Start	Expire(d)	5% School	
11	ALACHUA	5.0%	6/87	7/01	0.25%	1/05	12/11		ALACHUA
11	ALACHUA				0.5%	1/09	12/10		ALACHUA
12	BAKER	2.0%	5/00	5/00	1.0%	1/94	NONE		BAKER
13	BAY	5.0%	3/86	1/94					BAY
14	BRADFORD	4.0%	11/90		1.0%	3/93	NONE		BRADFORD
15	BREVARD	5.0%	12/86	10/92					BREVARD
16	BROWARD	5.0%	12/80	3/94					BROWARD
17	CALHOUN				1.0%	1/93	NONE	1/09-12/18	CALHOUN
18	CHARLOTTE	5.0%	4/84	9/90	1.0%	4/95	12/14		CHARLOTTE
19	CITRUS	3.0%	12/86						CITRUS
20	CLAY	3.0%	1/89	1/89	1.0%	2/90	12/19		CLAY
21	COLLIER	4.0%	1/93	1/93					COLLIER
22	COLUMBIA	3.0%	12/84		1.0%	8/94	NONE		COLUMBIA
23	DADE	3.0%	12/78	4/88	0.5%	1/92	NONE		DADE
23	DADE				0.5%	1/03	NONE		DADE
24	DESOTO				1.0%	1/88	NONE		DESOTO
25	DIXIE				1.0%	4/90	12/29		DIXIE
26	DUVAL	4.0%	1/79	12/90	0.5%	1/89	NONE		DUVAL
26	DUVAL				0.5%	1/01	12/30		DUVAL
27	ESCAMBIA	4.0%	12/80	6/89	1.0%	6/92	12/17	1/98-12/17	ESCAMBIA
28	FLAGLER	3.0%	12/86		0.5%	1/03	12/12	1/03-12/12	FLAGLER
29	FRANKLIN	2.0%	1/05		1.0%	1/08	NONE		FRANKLIN
30	GADSDEN	2.0%	1/03		1.0%	1/88	NONE		GADSDEN
30	GADSDEN				0.5%	1/09	12/38		GADSDEN
31	GILCHRIST	2.0%	1/07		1.0%	10/92	NONE		GILCHRIST
32	GLADES	2.0%	1/09		1.0%	2/92	12/21		GLADES
33	GULF	4.0%	1/99	6/01	1.0%	1/06	NONE		GULF
34	HAMILTON	3.0%	11/96		1.0%	7/90	12/19		HAMILTON
35	HARDEE				1.0%	1/90	NONE		HARDEE
36	HENDRY	3.0%	2/03		1.0%	1/88	NONE		HENDRY
37	HERNANDO	3.0%	1/93	1/93				1/05-12/14	HERNANDO
38	HIGHLANDS	2.0%	1/03		1.0%	11/89	10/19		HIGHLANDS
39	HILLSBOROUGH	5.0%	10/78	1/92	0.5%	10/01	NONE		HILLSBOROUGH
39	HILLSBOROUGH				0.5%	12/96	11/26		HILLSBOROUGH
40	HOLMES	2.0%	1/05		1.0%	10/95	12/13		HOLMES
41	INDIAN RIVER	4.0%	4/87	10/00	1.0%	6/89	12/19		INDIAN RIVER
42	JACKSON	4.0%	1/99		1.0%	6/95	12/25	7/96-12/15	JACKSON
43	JEFFERSON	2.0%	2/07		1.0%	6/88	NONE		JEFFERSON
44	LAFAYETTE				1.0%	9/91	NONE		LAFAYETTE
45	LAKE	4.0%	12/84	11/98	1.0%	1/88	12/17		LAKE
46	LEE	5.0%	11/82	5/88					LEE
47	LEON	5.0%	5/88	10/94	1.0%	12/89	12/19	1/03-12/12	LEON
48	LEVY	2.0%	1/03		1.0%	10/92	NONE		LEVY
49	LIBERTY				1.0%	11/92	NONE		LIBERTY
50	MADISON	3.0%	1/99		1.0%	8/89	NONE		MADISON
50	MADISON				0.5%	1/07	NONE		MADISON
51	MANATEE	5.0%	1/81	10/89				1/03-12/17	MANATEE
52	MARION	2.0%	1/05	4/08					MARION
53	MARTIN	4.0%	11/02	11/02	0.5%	1/07	12/11		MARTIN
54	MONROE	4.0%	12/81	1/91	1.0%	11/89	12/18	1/96-12/15	MONROE
55	NASSAU	3.0%	1/89	5/89	1.0%	3/96	NONE		NASSAU
56	OKALOOSA	5.0%	11/89	7/92					OKALOOSA
57	OKEECHOBEE	3.0%	1/93		1.0%	10/95	NONE		OKEECHOBEE
58	ORANGE	6.0%	5/78	1/92				1/03-12/15	ORANGE
59	OSCEOLA	6.0%	12/77	5/92	1.0%	9/90	8/25		OSCEOLA
60	PALM BEACH	5.0%	10/82	1/93				1/05-12/10	PALM BEACH
61	PASCO	2.0%	1/91		1.0%	1/05	12/14		PASCO
62	PINELLAS	5.0%	11/78	10/90	1.0%	2/90	12/19		PINELLAS
63	POLK	5.0%	12/86	1/94	0.5%	1/05	12/19	1/04-12/18	POLK
64	PUTNAM	4.0%	1/93	4/99	1.0%	1/03	12/17		PUTNAM
65	ST JOHNS	4.0%	12/86	8/88					ST JOHNS
66	ST LUCIE	5.0%	11/84	5/91				7/96-12/26	ST LUCIE
67	SANTA ROSA	4.0%	1/92	5/94				10/98-12/18	SANTA ROSA
68	SARASOTA	4.0%	11/88	6/92	1.0%	9/89	12/24		SARASOTA
69	SEMINOLE	5.0%	1/89	9/93	1.0%	1/02	12/11		SEMINOLE
70	SUMTER	2.0%	1/05		1.0%	1/93	NONE		SUMTER
71	SUWANNEE	2.0%	1/91	11/01	1.0%	1/88	NONE		SUWANNEE
72	TAYLOR	3.0%	12/98	7/06	1.0%	8/89	12/29		TAYLOR
73	UNION				1.0%	2/93	NONE		UNION
74	VOLUSIA	3.0%	5/78	4/90				1/02-12/16	VOLUSIA
75	WAKULLA	2.0%	4/95		1.0%	1/88	12/17		WAKULLA
76	WALTON	4.5%	10/86	10/91	1.0%	2/95	NONE		WALTON
77	WASHINGTON	3.0%	1/01		1.0%	11/93	NONE		WASHINGTON