

## Tourist Tax Exemptions

**This educational resource guide is provided as a courtesy. It is important to understand that the rules governing the State of Florida tax exemption requirements are subject to change, and it is the Dealer's responsibility to understand and keep up-to-date with all governing requirements.**

It is the legislative intent to tax each transient rental transaction, unless specifically exempt.

Each Dealer, in good faith, must verify the requesting party(s) ID.

For audit purposes, each Dealer has a duty to keep the applicable records to support the exemption.

**Important!** Each exemption type has specific records to be retained in support of the exemption. If copies are not retained by the Dealer per the applicable exemption type, the exemption will be disallowed, and is subject to audit assessment.

The rules governing tax exemption on transient rental transactions may include one or more of the following: For comprehensive details, other exemption types, and rulemaking authority see full governing rules.

- [12A-1.061](#) FAC (Rentals, Leases, and Licenses to Use Transient Accommodations) 5-9-13
- [12A-1.038](#) FAC (Consumer's Certificate of Exemption; Exemption Certificates) 1-17-18
- [12A-1.0015](#) FAC (Sales for Export; Sales to Nonresident Dealers and Foreign Diplomats) 6-12-03
- [TIP No: 11A01-05](#) FDOR 7-15-11

The information below is a brief overview of the necessary requirements for each type.

### Military Personnel on Active Duty

Rental charges or room rates paid by military personnel currently on active duty and present in the community under official orders are exempt. This includes rental charges or room rates for transient accommodations paid by military personnel while traveling to a destination designated by their official orders. The exemption does not include rental charges or room rates for transient accommodations paid by military personnel that are in the community but are not under official orders to be present in the community.

To qualify for this exemption, military personnel must present either of the following documents to the owner or owner's representative of the transient accommodation.

1. A copy of the official orders supporting the active-duty status of the military personnel and making it necessary to occupy the transient accommodation; or
2. A copy of an overflow certificate issued to military personnel on active-duty status by any unit of the U.S. Armed Services.

It is not required that an official military ID be presented and kept on record; however, the personnel must prove that he or she is a military personnel and the Dealer, in good faith, must verify this. Therefore, the military personnel should present his or her ID.

**Important:** To authenticate that the Military personnel is currently on **Active Duty** and present in the community under official orders; the Dealer is **required** to retain a copy of the military personnel's official orders or a copy of an overflow certificate in support of the military personnel's active-duty exemption. See rule 12A-1.061 (13)(a)(b) (1.)(2.)FAC.

## Employees of the Federal Government or its Agencies

Employees of the federal government or its agencies are exempt from tax on rental charges or room rates for transient accommodations, even though the employee may be reimbursed by the federal government or its agencies, only when:

1. The federal government or its agencies pays the rental charges or room rates directly to the owner or the owner's representative of the transient accommodations or reimburses the employee for the actual rental charges or room rates;
2. The employee does not use the transient accommodations for personal purposes; and,
3. The employee provides the owner or the owner's representative of the transient accommodations with the proper documentation.

**Important:** To authenticate that the Federal Government or its Agency employees are in pursuit of its employer's affairs; the Dealer is required to retain a copy of the Federal Government or its Agency employees Exemption Certificate. See rules 12A-1.061 (15)(a)(1.)(2.)(3.) and 12A-1.038. (4)(c)FAC [Federal Employee Exemption Certificate](#). The United States Government is **not** required to hold a Consumer's Certificate of Exemption (Form DR-14) to make tax-exempt purchases and rentals.

## Employees of governmental units other than the federal government or its agencies: i.e., state, county, city, or any other political subdivision of the state

that holds a Consumer's Certificate of Exemption (Form DR-14) issued by the Department are exempt from tax on rental charges or room rates for transient accommodations only when:

- a. The rental charges or room rates are billed directly to and paid directly by the governmental unit or the exempt organization;
- b. The employee or representative does not use the transient accommodations for personal purposes; and,

c. The employee or representative provides the owner or the owner's representative of the transient accommodations with proper documentation.

Rental charges or room rates paid with personal funds of any employee of a governmental unit, other than the federal government or its agencies, are subject to tax.

**Important:** To properly document the exemption for employees of governmental units (i.e., state, county, city, or any other political subdivision of the state) the Dealer is **required** to retain a copy of the valid Consumer's Certificate of Exemption (Form DR-14) issued by the Florida Department of Revenue, and a copy of the face of the governmental unit exempt organizations "P-Card." When the selling dealer cannot copy the "P-Card," the dealer must retain the Consumer's Certificate of Exemption number, the account number, cardholder's name, and the expiration date of the "P-Card." See rules 12A-1.061 (15)(b)(1.) (a)(b)(c)(2.) and 12A-1.038 (4.) (a)(b)(1.) FAC.

## Foreign Diplomats

Sales to foreign diplomats, consular officers, consular employees, and members of their families are entitled to certain sales tax exemptions or limitations determined by the United States Department of State when the United States Department of State has determined that the foreign nation represented has a treaty with the United States that exempts United States diplomats, consular officers, consular employees, and members of their families from the foreign country's similar state and local sales taxes. Foreign diplomats and consular personnel seeking an exemption from Florida sales tax must personally present to the vendor at the time of purchase a tax exemption card issued to the individual by the United States Department of State. The tax exemption card will set forth the terms of the sales tax exemption to which the individual is entitled and will serve as the seller's authority to allow the specific sales tax exemption as provided on the card to the named person whose photograph appears on the card.

**Important:** To properly document the exemption, the Dealer must retain a copy of both sides of the tax exemption card containing the animal image representing the level of exemption. See rule 12A-1.0015 (4)(a)(b)(1.) (2)(c) FAC; TIP No: 11A01-05 FDOR 7-15-11.

## Full-Time Students

Full-time students enrolled in an institution offering postsecondary education who reside in transient accommodations are exempt from the taxes imposed on transient accommodations.

A written declaration of an appropriate official of the student's institution reflecting that the student named in the declaration is a full-time student of the institution is proof of the student's full-time enrollment. A written declaration of an appropriate official from the educational institution declaring the student is a full-time student is considered proof.

**Important:** A copy of the written declaration must be retained by the Dealer. See rule 12A-1.061(12)(a)(b)(c) FAC [Full-time student written declaration](#).

## **Sales made to exempt entities other than governmental units**

An entity that holds a valid Consumer's Certificate of Exemption (Form DR-14) issued by the Florida Department of Revenue may extend a copy of its certificate to the selling dealer to purchase or rent taxable property, admissions, or services used for its authorized tax-exempt purpose in lieu of paying sales tax. Purchases of property, admissions, or services used for the entity's authorized tax-exempt purposes must be made with the purchasing entity's funds and may not be made with personal funds of the purchasing entity's authorized representative. See rules 12A-1.061(15)(b)(1)(a)(b)(c) and 1.038 (3)(a) FAC.

**Important:** The Dealer is required to retain a copy of the valid Consumer's Certificate of Exemption (Form DR-14) issued by the Florida Department of Revenue, and a copy of the proof of payment identifying the entity as named on the exemption certificate. The form of payment must be in the name of the organization granted the exemption. Rental charges or room rates paid with personal funds are subject to tax.

## **An exemption certificate granted by any other state, District of Columbia, or territory of the United States to the selling dealer is not sufficient to make tax-exempt purchases or rentals in Florida.**

The fact that an entity holds an exemption from federal income tax pursuant to s. 501(c)(3) of the Internal Revenue Code of 1986, as amended, is not sufficient to make tax exempt purchases or rentals in Florida. See rule 12A-1.061 FAC.