

# Annual Resale Certificate for Sales Tax

Businesses that register with the Department of Revenue to collect [sales and use tax](#) are issued an *Annual Resale Certificate*. The certificate allows business owners or their representatives to buy or rent property or services tax-free (when purchases or rentals will be resold or re-rented).

Examples of purchases or rentals that you may make without paying sales and use tax include:

- Items that become a component part of a product you sell (for example: nails, fabric, and wood that are incorporated into a chair).
- Items resold as tangible personal property and services that are resold.
- Services that will be resold as part of your regular business operations.
- Rentals that will be re-rented as real property or tangible personal property.

If you are not yet registered, [visit our registration page](#) to find out if your business activities are subject to tax. If your business will have taxable transactions, you must register with the Department of Revenue **before you begin conducting business in Florida**.

Online registration is free. The site will guide you through an application interview that will help you determine your tax obligations. After your application is approved, you will receive a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13).

## Use Your Annual Resale Certificate Correctly

You are responsible for using your *Annual Resale Certificate* correctly. You **may not** use your certificate to make tax-exempt purchases or rentals of property or services that will be:

- Used in your business but not resold or re-rented.
- Used before selling or renting the goods.
- Used by your business or for personal purposes. (For example: furniture, office equipment, computers, or supplies.)

[[Show all hidden definitions](#) | [Hide all hidden definitions](#) ]

*View a chart* that includes types of businesses and examples of items that you may buy or rent tax-free. If you have specific questions about your business, contact your [local service center](#) or Taxpayer Services.

Type of business	Purchases that may qualify for resale exemption	Purchases that are generally taxable
Restaurants Bars	Disposable “take-out” food	Dishes, flatware, kitchen utensils, cleaning supplies, office equipment, office supplies, delivery vehicles, kitchen

	containers, paper napkins, plastic eating utensils, and beverages	equipment, credit card machines, and menus
Barber shops Beauty salons	Items for resale to customers for off-premises use, including shampoos, hair tonics, brushes, and cosmetics	Items used in serving customers on-site, including shampoo, brushes, cosmetics, cleaning supplies, hair dryers, curling irons, beautician chairs, scissors, combs, shears, office supplies, and office equipment
Car dealers Auto repair shops Service stations	Tires, batteries, auto parts, seat covers, auto paint, antifreeze, nuts, bolts, and oil available for resale to customers or incorporated into repairs	Hand and power tools, machinery, tape, sandpaper, lubricants, solvents, rags, cleaning supplies, office supplies and equipment, free loaner vehicles, delivery vehicles, wreckers, lifts, and diagnostic equipment
Florists Plant nurseries Landscape gardeners	Fertilizers, flowers, shrubs, potting soil, and garden tools for resale to customers on an itemized invoice	Hoses, garden tools, lawn mowers, rakes, office equipment, supplies used in day-to-day operations, and delivery vehicles
Convenience stores	Soft drinks, candy, beer, t-shirts, hats, kitchen supplies, office supplies, household supplies, cleaning supplies, and motor oil available for resale to customers	Cash registers, business equipment, cleaning supplies, office supplies, gas pumps, credit card machines, and ATMs
Pet shops	Items intended for resale rather than use in business	Items for use in day-to-day store operations, including pet food, pet litter, pet dishes, cleaning supplies, office supplies, and office equipment

	operations, including pet food, pet litter, brushes, and pet dishes	
Service providers, for example: attorneys, accountants, architects, doctors, dentists, daycare centers	None. These types of businesses are generally considered to be the end users of products they use in providing service to customers and generally do not qualify for resale exemption	Electronics, service vehicles, appliances, office equipment and supplies, books, stationery, computer hardware or software, bandages, mouthwash, toothbrushes, toys, and bedding

You might buy an item tax-exempt intending to resell it, but then use the item in your business or for personal use. In that case you must report and pay [use tax](#) on the item. Use tax is calculated at the same rate as sales tax. Report use tax on your sales and use tax return.

There are criminal and civil penalties for the fraudulent use of a resale certificate.

## Making Purchases with Your Annual Resale Certificate

You should provide a **signed copy** of your current Annual Resale Certificate to each seller when you buy or rent property or services that you intend to resell or re-rent as part of your business. Do not give out your original resale certificate. If you need a replacement, contact your [local service center](#) or Taxpayer Services.

## Accepting an Annual Resale Certificate from Another Business

Other businesses may buy goods from you tax-exempt. Business owners who purchase goods for resale must provide you with a signed copy of their current *Annual Resale Certificate*.

You should not accept an *Annual Resale Certificate* if you know or have reason to believe the goods are purchased for reasons other than those stated on the certificate. For example, an *Annual Resale Certificate* from a car dealership should not be accepted for the purchase of office supplies or similar items not normally sold by car dealerships.

[You can verify resale certificates using our online system](#) by manually entering up to five certificate numbers to receive immediate verification, or upload a batch file.

[Read our \*Annual Resale Certificate for Sales Tax\* brochure](#) for more information about this and other methods of documenting sales for resale.

## **Annual Resale Certificates are Issued Each Year**

Annual resale certificates expire each year on December 31. Active and registered dealers will automatically receive a new *Florida Annual Resale Certificate for Sales Tax* (Form DR-13) every year. Depending on how you file and pay tax (online or by mail), the resale certificate will be either mailed to you separately or included in your sales tax coupon book or tax return.

## **Frequently Asked Questions about the Annual Resale Certificate for Sales Tax**

### ***Making Purchases with the Annual Resale Certificate***

**Question:** May I sign my original *Annual Resale Certificate* (on the "Presented by" line) and then make copies of it to present to my suppliers?

Answer: Yes. Also, selling dealers may accept fax or scanned copies of a signed *Annual Resale Certificate*.

**Question:** If I buy from a vendor on a regular cash basis, do I have to present a copy of my *Annual Resale Certificate* each time I make a purchase?

Answer: No, you should present the *Annual Resale Certificate* once during a calendar year. However, some businesses have internal procedures requiring you to present your certificate each time you make a purchase for resale.

**Question:** If I have a use tax number, will I receive an *Annual Resale Certificate*?

Answer: No. If you are registered to remit use tax you will not receive a resale certificate because you cannot make tax-exempt purchases for resale.

### ***Accepting an Annual Resale Certificate from Another Business***

**Question:** Must the purchaser (the business representative who presents the certificate) circle one of the bulleted options on the *Annual Resale Certificate* to validate the certificate?

Answer: No. The business representative, who presents the *Annual Resale Certificate* when buying items for resale, does not need to show the purpose of the transaction. The bullets listed on the certificate simply provide examples of valid types of resale transactions.

**Question:** Does the address on the *Annual Resale Certificate* have to match the address of the customer buying the merchandise?

Answer: No. The address on the certificate does not need to match the location address of the purchaser. However, the certificate must have the proper business name and signature of the purchaser or authorized representative and must be a valid (not expired) certificate.

**Question:** Can a selling dealer accept an *Annual Resale Certificate* that has only the owner's name on it and not the d/b/a name?

Answer: Yes. However, the certificate must have the purchaser's signature and date, as well as the seller's name and date and be a valid (not expired) certificate.

**Question:** When an on-account customer is required to pay by cash or credit card (ceases to be an on-account customer) for a short time during a year and then resumes being an on-account customer, does the selling dealer (a wholesaler) need to get another copy of the *Annual Resale Certificate*?

Answer: No. The initial copy of the certificate is sufficient. The selling dealer can continue to sell to this customer tax-exempt for resale on either a charge account or C.O.D. basis.

### *Multiple Accounts or Locations*

**Question:** Can I use an *Annual Resale Certificate* with an 80-code (consolidated account) number on it to make tax-exempt purchases for resale?

Answer: Yes. Consolidated dealers can use either the *Annual Resale Certificate* for their consolidated account (80-code number) or the certificate for each of their active member accounts to make tax-exempt purchases for resale.

**Question:** Can purchasers with multiple locations in the same county have one *Annual Resale Certificate* for all locations, although the certificate does not begin with 80?

Answer: Yes. Dealers who have multiple locations in the same county could have one county control certificate that does not begin with 80. The certificate may be used to make tax-exempt purchases for resale by all these business locations in the same county.

### *Tax-exempt Items*

**Question:** Are vendors who sell items that are tax-exempt required to get an *Annual Resale Certificate* from their purchasers?

Answer: No. A vendor does not have to get a certificate from the purchaser for sales of items specifically exempt by law. However, the invoice should identify the exempt items.

**Question:** If an item is tax-exempt because of its usage (e.g., fertilizer bought for agricultural use), is the purchaser required to submit a copy of his or her *Annual Resale Certificate*?

Answer: No. If the item is tax-exempt under a specific exemption based on its usage and is not for resale, the purchaser should give the seller an exemption certificate. Form [DR-97](#) has a suggested format for a blanket certificate of exemption.

### *Other*

**Question:** How can I verify a *Consumer's Certificate of Exemption*?

Answer: Call the Department's automated verification system at 877-357-3725.

**Question:** What documentation is required to exempt sales tax when the purchaser is an out-of-state dealer who does not have a Florida *Annual Resale Certificate*?

Answer: The out-of-state dealer should create a form that uses a format suggested in Rule 12A-1.0015 (3) or Rule 12A-1.007 (6), Florida Administrative Code (F.A.C). Blanket resale affidavits from out-of-state motor vehicle dealers are acceptable instead of the individual affidavits in Rule 12A-1.007 (6), F.A.C. However, the selling dealer must obtain a blanket resale affidavit for each invoice representing motor vehicles sold.

## Resources

[Read our Florida's sales and use tax web page.](#) Click on that page's [industry tab](#) to read publications for specific types of businesses.

[Find out about other taxes](#) that a business may be required to collect and/or pay.

[Our startup kit for new business owners](#) contains a Business Owners Guide, forms and web links. The kit is geared toward sales and use tax filers, but contains information about corporate income tax, reemployment tax, and other taxes.

[ [Questions and Answers](#) | [Report Technical Problems](#) | [Help with Downloading Files](#) | [Privacy Notice](#) ]

©2012 Florida Department of Revenue