

Florida Department of Revenue

There are several rules and regulations in our state related to the selling of goods, collecting sales tax, soliciting of funds, or donations. This section covers the most common information that PTA units must be familiar with to remain compliant with the Florida Department of Revenue (DOR). Florida also has special regulations on raffles and other games of chance. Refer to *Revenue and Expenses: Raffles and Games of Chance* for more information.

Sales Tax Certificate of Exemption

Because PTAs have an IRS classification of 501(c)(3) either as a “charitable organization” or “educational organization,” Florida State Statutes allow them to be treated differently from businesses or organizations who exist to raise a large amount of money or who conduct frequent fundraising events. The key benefit PTAs receive from the State of Florida is a significant reduction in paperwork, such as reporting and record keeping, when certain limitations on the number and frequency of fund-raising events are observed. It is not illegal for a PTA to go beyond these limitations if they comply with the additional requirements regarding collecting and submitting sales taxes.

- **The PTA is responsible for paying sales tax on all resale items.** When PTAs purchase items for resale, such as candy or T-shirts, applicable sales taxes **MUST** be paid on those items.
- **PTAs have been granted the privilege of paying sales tax to the vendor** (rather than the state directly) on the wholesale cost of any items (regardless how much the markup for resale might be). This includes school store and uniforms if operated within the school (tax must be paid and submitted at least on the wholesale amount either by the vendor or by your unit).
- If you are using percentages with a vendor, you would pay sales tax on their percentage and not the PTA portion. It is illegal for a vendor to furnish the money to pay the sales tax for you - the PTA remits the tax to the vendor, and they simply turn it in along with the paperwork.
- The only known exception for a PTA on resale items is selling *used* uniforms at the school; sales tax would not need to be collected or remitted.
- If a PTA provides volunteer staff for a school store or uniform shop run by the school, it is the school district which must comply with DOR reporting requirements. All school districts have the capability to comply.
- PTA must pay sales tax for yearbooks. The exemption for tax in the state statute referring to the sale of yearbooks, magazines, newspapers, directories, bulletins, and similar publications is only for schools.
- It is illegal to allow a vendor to pay or offer to pay your sales tax for you (there should be a separate line on the invoice indicating the sales tax amount). They remit what you pay to the state of Florida.

Remember, sales taxes pay for most children’s services. Cheating on sales tax cheats children.

Florida Sales Tax Exemption - Form DR-5 (Consumer Certificate of Exemption)

Your PTA is not required to have a Florida Department of Revenue Sales and Use Tax Certificate of exemption; however, you are entitled to one if your 501(c)(3) federal income tax-exempt status is in good standing with the IRS. Many people confuse the 501(c)(3) Federal Income Tax Exemption and the Florida Department of Revenue Sales Tax Exemption.

- **501(c)(3) Federal Income Tax Exemption:** This is granted by the IRS and exempts your organization from paying **federal income tax**.
- **Florida Department of Revenue Sales Tax Exemption:** This is issued by the state and exempts your organization from paying **Florida sales tax** on certain purchases.

To qualify to apply for the sales tax certificate using Florida Department of Revenue **Form DR-5**, your PTA must be in good standing with the IRS by timely filing an annual 990 informational income tax return. Please visit **the Florida Department of Revenue (FL DOR) for instructions and the current form:** [Consumers Certificate of Exemption Application](#)

FORM DR-5 Application for Sales Tax Exemption Certificate

Exemption Category is: Parent-Teacher Organization or Association

- Check the box on the DR-5 Application Form: Parent-Teacher Organization or Association
- Enclose a copy of your APPROVED bylaws. Your bylaws renew every three (3) years, please make sure they are current before submitting the documentation.

Automatic Renewal of Sales Tax Certificates

Tax exemption certificates are only valid for five years. **Exemption certificate holders do not have to reapply to renew the exemption certificate. The Florida Department of Revenue will review each certificate approximately 60 days before expiration.** The FL DOR will use available public information to determine whether the nonprofit or governmental entity located in Florida still qualifies for the exemption certificate. If the nonprofit or governmental entity still qualifies, it will be mailed a new exemption certificate. If additional information is needed, the FDOR will issue a letter requesting documentation.

Using the Sales Tax Certificate of Exemption

The Treasurer should maintain the original and copies of the Consumer Certificate of Exemption and educate members on the rules for its usage when applicable. Once the certificate is obtained, you are exempt from paying sales tax on items which the PTA consumes. For example, your PTA is exempt from paying sales tax on a tape recorder to be used by the secretary or a “For Deposit Only” stamp to be used by the Treasurer or taxable purchases made at the supermarket or office supply store for a PTA event. The same applies when a PTA purchases a gift for a school, such as a computer or a globe for the library. When you make these purchases, you must present the certificate of exemption and pay for the purchase with a PTA check or PTA card.

A Consumer Certificate of Exemption can only be used by organization for which it is issued, and the certificate should never be used for personal use! The PTA certificate cannot be used by the school, and the school certificate cannot be used by the PTA. The person using the certificate must make the purchase using PTA funds for items which the PTA unit will be using or consuming (and are not reselling in any form). Example: If purchasing materials to make an item that will be sold by the PTA, then tax must be paid. Either pay the tax when the materials are purchased, or collect tax when selling the finished product, and remit tax to the state. The Sales Tax Certificate of Exemption will be the same name as on the PTA Charter/Bank account.

Occasional Sales or Events

Some PTA events will be considered *occasional sales* and you may need to remit sales tax to the Florida Department of Revenue based on the funds you charge and/or collect. The most common examples of occasional sales for a PTA would be an auction where items are donated or meal events, such as spaghetti dinners where food is prepared and served by PTA members. It will not be necessary to collect and submit sales tax when they occur no more frequently than twice during any 12-month period. There are exemptions for admission charges for an event or program sponsored if the purpose for which the group received a 501(c)(3) exception and the PTA takes an active role in planning and conducting. Contact the Florida PTA State Office and they can guide you to the correct procedures if you need to collect and remit tax for occasional sales (dealer certificate) if applicable. Note: For the example above, if you purchase supplemental items to complete the spaghetti dinner and you are charging for the dinner then your PTA unit should NOT be using the Consumer Certificate of Exemption and should be paying sales tax when you purchased the items from the retailer as this would be considered reselling (see Sales Tax for more information).

Solicitation of Funds – County Council and Community PTAs Only

Local Unit PTAs are NOT required to register for a Solicitation of Funds certificate if they are affiliated directly with a school. The Solicitation of Contributions Act (Chapter 496, Florida Statutes) requires businesses, groups, persons, organizations, and others who solicit donations from people in the state of Florida to register with the Department and renew annually, include copies of financial reports (copies of various IRS 990 Forms may be used to comply) and other item requirements to remain in compliance. **Only the Florida PTA State Office, County Council PTAs, and Community PTAs are required to register and renew their Solicitation of Funds certificates annually.**