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Gail Cole • May. 26, 2023



With additional reporting by CPA Practice Advisor staff.

On Thursday, May 25, [Governor Ron DeSantis](#) of Florida signed a bill to approve legislation that provides six [sales tax holidays](#) in the state. The bill also establishes numerous new permanent Florida sales tax exemptions.

However, the Florida Legislature erred in including items eligible in two of the sales tax holidays, but that have different tax treatments. Sales Tax software provider Avalara said that it's automated systems will handle the issue as follows:

“For these overlapping AvaTax codes that are included in both of the

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26, to Friday, September 8;

- [Freedom Summer](#) — Monday, May 29, to Monday, September 4.

Some of the new sales tax exemptions created by [HB 7063](#) will primarily benefit consumers; others provide tax relief to businesses. All will require affected businesses to adapt in one way or another.

Caregivers in Florida will appreciate the new Florida sales tax exemptions for the following **baby and toddler products**:

- Baby bouncer seats, exercisers, jumpers, and swings
- Baby cribs, playpens, and play yards
- Baby monitors
- Baby safety gates
- Baby strollers
- Baby and toddler apparel, clothing, and shoes primarily intended for and marketed for children age 5 or younger (clothing size 5T and smaller; shoes size 13T and smaller)
- Baby wipes
- Bicycle child carrier seats and trailers designed for carrying young children, including any adaptors and accessories for these seats and trailers
- Breast pumps, bottle sterilizers, baby bottles and nipples, pacifiers, and teething rings
- Changing pads and tables
- Child safety cabinet latches, locks, and electrical socket covers
- Diapers (for children), including disposable diapers, reusable diapers, and reusable diaper inserts
- Diapers and incontinence products for humans, including incontinence liners, pads, and undergarments (no age constraint)

All Floridians could benefit from the new Florida sales tax exemptions for the

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the following **oral hygiene products**:

- Dental floss, dental picks, and oral irrigators
- Electric and manual toothbrushes
- Mouthwash
- Toothpaste

New Florida sales tax exemptions for services

Most services are already exempt from Florida sales and use tax. Among the exceptions to that rule are interior nonresidential cleaning services, nonresidential pest control services, and investigative and crime protection services.

As the [summary analysis](#) for a 2022 bill seeking to exempt some of these services puts it, “This means that a yoga instructor would not be required to collect sales tax, while a janitor or private investigator may be required to collect sales tax.”

HB 7063 partially rights that wrong, if it can be considered a wrong, by establishing a sales tax exemption for **services provided by certain small private investigative agencies**.

To qualify for the exemption, the agency 1) must employ no more than three full-time or part-time employees, including those working through an employee leasing arrangement, and 2) must have performed less than \$150,000 of otherwise taxable private investigative services during the previous calendar year (for all business related through common ownership).

The exemption may not apply in the first calendar year a small private investigative agency provides qualifying services.

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• Renewable natural gas machinery and equipment, as specified in the [text of the bill](#)

All the new Florida sales tax exemptions described above are scheduled to take effect July 1, 2023. That doesn't give businesses much time to get their ducks in a row (i.e., reconfigure their point-of-sale systems, etc.).

New Florida sales tax holidays for 2023

In addition to the above exemptions, which are all permanent, HB 7063 establishes numerous temporary sales tax exemptions in the form of sales tax holidays. These are sometimes known as tax-free weekends, though all the new sales tax holidays in Florida will last longer than a weekend.

Buckle up, businesses. If the bill does become law, several of the following Florida sales tax holidays will start quite soon — one is scheduled to start May 27, another May 29. If [you hold a Florida sales tax permit](#) and sell any of the affected items to Florida consumers, you'll need to ensure you're set up to *not* charge sales tax on qualifying transactions.

The recently enacted Florida sales tax holidays are:

- **Two Florida disaster-preparedness supplies sales tax holidays** for a variety of products that can help Floridians (humans as well as their pets) weather floods, hurricanes, and other natural disasters. Various price restrictions apply.
 - May 27–June 9, 2023; *and*
 - August 26–September 8, 2023
- **Florida Freedom Summer sales tax holiday** for admissions to a host of different events as well as a sales tax exemption for assorted camping supplies, fishing supplies, general outdoor supplies, toys, and more. Various price restrictions apply.
 - May 29–September 4, 2023

- Two **Florida back-to-school sales tax holidays** for clothing, learning aids,

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- **Florida sales tax exemption for gas ranges and cooktops** for, well, gas ranges and cooktops for internal residential use. No price restrictions.
 - July 1, 2023–June 30, 2024

Hundreds if not thousands of products will be exempt from sales tax during the above tax-free periods. Price caps apply to most of them. For example:

During the disaster preparedness sales tax holiday, the sales and use tax exemption applies to reusable ice packs priced \$20 or less, portable generators priced \$3,000 or less, and bags of dry dog or cat food weighing no more than 50 pounds with a sales price of \$100 or less.

During the Florida tool time sales tax holiday, the sales and use tax exemption applies to shovels priced \$50 or less, hard hats priced \$100 or less, and work gloves priced \$25 or less.

There are many, many other price caps, so it doesn't take much imagination to understand why sales tax holidays are a hassle for retailers.

The sales tax holidays listed above would be in addition to the Florida sales tax holidays that were already in the hopper for 2023. Read our [2023 sales tax holidays](#) post for more details about the other sales tax holidays taking place this year.

Exemption certificates aren't needed for sales tax exemptions provided by law

When sales and use tax exemptions are provided by statute, as are both the temporary and permanent exemptions described above, they don't need to be validated by an exemption certificate or resale certificate. Businesses are not permitted to collect sales tax on transactions that are exempt under state law.

However, businesses *do* need to collect a sales tax exemption certificate or resale

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