

TIP #14A01-07**DATE ISSUED: June 20, 2014**

**Decrease in the Tax Rate on Electricity
Effective July 1, 2014**

For bills dated on or after July 1, 2014, the state tax rate on charges for electricity is reduced from 7% to 6.95%. The reduced tax rate is comprised of a 2.6% tax imposed under Chapter 203, Florida Statutes (F.S.), and a 4.35% tax imposed under Chapter 212, F.S. Dealers selling electricity may collect tax at the combined rate of 6.95% or dealers may separately state each tax on their customers' billings. Dealers that elect to use the combined rate are not required to label the rate in a particular way, provided the tax is clearly identified as a Florida state tax or sales tax.

There is no change to the local option discretionary sales surtaxes imposed on charges for electricity. If the 4.35% tax is separately stated, the local option discretionary sales surtax should be added to the 4.35% tax rate. The applicable tax brackets are posted on the Department's website at http://dor.myflorida.com/dor/taxes/tax_interest_rates.html.

There is no change in reporting the tax on electricity to the Department. The 2.5% gross receipts tax continues to be reported on the *Gross Receipts Tax Return* (Form DR-133). The combined 6.95% tax rate and any applicable local discretionary sales surtax continues to be reported on the *Sales and Use Tax Return* (Form DR-15).

References: Sections 203.01 and 212.05(1)(e), Florida Statutes; Sections 2 and 4 - 6, Chapter 2014-38, Laws of Florida

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our Internet site at www.myflorida.com/dor or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

Want the latest tax information?