

## Sales/Use/Indirect:

### Florida DOR Warns of Potential Compliance Issues for Merchants Making Sales through Delivery Network Companies

*Tax Information Publication (TIP) No. 23A01-24*, Fla. Dept. of Rev. (12/15/23). The Florida Department of Revenue (Department) issued a tax information publication (TIP) reminding registered dealers in Florida making sales through a delivery network company (*i.e.*, through an online delivery service company) that they are responsible for collecting, reporting, and remitting any underlying Florida sales tax on such transactions unless the delivery network company elects to collect and remit Florida sales tax on their behalf. In doing so, the TIP notes that delivery network companies operate under various business models – some do not collect and remit Florida sales tax on the merchant’s behalf; some collect Florida sales tax from customers but return the tax to the merchant to remit to the Department; and some elect to collect and remit the tax. According to the TIP, the Department “has found situations in which restaurants, grocery stores, convenience stores, and other local merchants using third-party delivery network companies did not report or remit the correct amount of Florida sales tax on their sales through these networks.” To help avoid such Florida sales tax compliance issues, the TIP recommends that local merchants using third-party delivery network companies “closely review the terms of their agreements related to sales tax collection and remittance responsibilities and the effective date of any changes related to those responsibilities.” If a taxpayer discovers that its business has underpaid Florida sales tax because a delivery network company returned the sales tax to the business or did not collect and report sales tax on its behalf in the first place, the TIP explains that the taxpayer may wish to take advantage of the Department’s voluntary disclosure program, which potentially may provide a waiver of most penalties. Please contact us with any questions.

**URL:** [https://floridarevenue.com/taxes/tips/Documents/TIP\\_23A01-24.pdf](https://floridarevenue.com/taxes/tips/Documents/TIP_23A01-24.pdf)

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