



TAX COLLECTOR'S OFFICE

Polk County, Florida

LOCAL BUSINESS TAX
Technical Advisory
Number 04-01

SUBJECT: Polk County Local Business Tax Ordinance

ISSUE: Overview Of Changes Taking Effect In 2004/2005

DATE: August 1, 2004

New Classifications

The new classifications are as follows:

Class "A", Non-State Regulated Business, Profession, or Occupation

Annual Cost: \$31.50 - This classification is for all businesses, professions, or occupations which are not required to hold any license, certification, or registration with any branch, department, agency or authorized licensing board of the State of Florida.

Class "B", State Regulated Business, Profession or Occupation

Annual Cost: \$55.75 - This classification includes all businesses, professions, and occupations for which a license, certification, or registration is required by any branch, department, agency or authorized licensing board of the State of Florida. Note: Proof of state license, registration or certification may also be required prior to issuance of a county local business tax receipt.

Class "C", Declared Business, Profession or Occupation

Annual Cost: \$315.00 - This classification includes all specified businesses, professions, and occupations for which a declaration shall be published by the Tax Collector upon approval of application and receipt of tax payment. The declaration shall consist of the business name, owner name, location, telephone number, and activity.

Only One Tax Receipt Needed Per Business Location

Each business entity is now only required to obtain one county local business tax receipt per business location so long as all occupations and/or activities performed at that location are listed on the tax receipt.

(Note: Based on their activities under the old ordinance, businesses were often required to obtain more than one county local business tax receipt for each business location.)

A business entity is generally defined as a sole proprietorship, partnership, corporation, or LLC (Limited Liability Company). If a business entity currently engages in more than one activity and any of those activities fall under different classifications, then the business must pay the highest classification dollar amount due for only one of the occupations

or activities in which it engages (up to ten) and list all the other the occupations or activities it performs on that same tax receipt.

If an individual or group otherwise operates outside of or apart from the business entity in which they normally conduct their business, then that individual or group must obtain their own occupational tax receipt.

Example: A partner in a Certified Public Accounting firm is normally covered by the partnership's county local business tax receipt. However, if that same partner does work for a paying client outside and apart from the partnership, then the partner in question is now acting as an individual sole proprietor and must have their own occupational county local business tax receipt.

Notable Changes

The new ordinance requires certain business activities, which were previously exempt, excluded or in question to obtain a county local business tax receipt. For more information on the individual occupations or activities that were affected, see the following:

~~Real Estate Sales Associates~~ - ~~Under the new ordinance a specific exemption is no longer provided for individual Real Estate Sales Associates. As such, Real Estate Salespersons, who are not bona fide employees of a Real Estate Broker or Developer holding a current county local business tax receipt, must obtain a Class B tax receipt and present evidence of their state license prior to obtaining the tax receipt. (Note: Generally bona fide employees receive a W-2 Wage & Tax Statement Form from their employers.) (Reference TA 11-01: Exemption Provided July 1, 2011)~~

Insurance Agents - Under the new ordinance individual Insurance Agents are no longer excluded from complying with the requirement to obtain a county local business tax receipt. As such, Insurance Agents who are not bona fide employees of an Insurance Firm holding a current county local business tax receipt must obtain a Class B tax receipt. (Note: Generally bona fide employees receive a W-2 Wage & Tax Statement Form from their employers.)

Attorneys - Under the new ordinance the need for individual Attorneys to obtain a county local business tax receipt is no longer in question. As such, Attorneys who are not bona fide employees of a Law Firm holding a current county local business tax receipt must obtain a Class B tax receipt and present evidence of their state authorization to practice law in the state of Florida prior to obtaining a county local business tax receipt. (Note: Generally bona fide employees receive a W-2 Wage & Tax Statement Form from their employers.)

Freshwater Commercial Fishing - Under the new ordinance Freshwater Commercial Fisherman are no longer excluded from complying with the requirement to obtain a county local business tax receipt. As such, Freshwater Commercial Fisherman, who are not bona fide employees of an Freshwater Commercial Fisherman business holding a county local business tax receipt, must obtain a Class B tax receipt. (Note: Generally bona fide employees receive a W-2 Wage & Tax Statement Form from their employers.)

Lodging STR Resort Dwellings (Short-term or Vacation Home Rentals) - Under the new ordinance it is determined that each individual Short-term Rental or Vacation Home must obtain a Class B county local business tax receipt.

Flea Markets (and their vendors) - Under the new ordinance a county local business tax receipt for a Flea Market only covers the business entity operating a Flea Market and not the individual business entities or vendors doing business at a flea market. Vendors are required to obtain the appropriate county local business tax receipt classifications based on the activities in which they engage.

Vending Machines - Under the new ordinance most vending machines are not subject to an individual county local business tax receipt. In most cases the individual business, where one or more vending machine are located, will already have a county local business tax receipt and the vending machine in question will be covered by that tax receipt. The only exception is where one or more vending machines exist at a location where no county local business tax receipt already exists or where the other activity or activities being performed at the location are not otherwise exempt. In such cases, a county local business tax receipt will have to be obtained for the area where the vending machines are located. Also, the vending machine provider, whose administrative office and/or supply or maintenance area, etc., is separate and apart from the vending location must obtain a county local business tax receipt for that separate business location.

Other Changes

The new ordinance also provides for other changes as follows:

Youth Exemption - For the first time, under the conditions set forth in Section 8, Item G of the county local business tax receipt ordinance, young people are exempt from having to obtain a county local business tax receipt. The exemption applies to the following:

All persons eighteen (18) years of age or younger or those persons less than twenty (20) years of age who are enrolled full-time in a daytime high school program in Polk County and who are acting as a sole proprietorship with no persons in their employment shall be exempt from the provisions of this Ordinance.

Fortune Tellers - Under the new ordinance those who are fortune tellers, clairvoyants, soothsayers, tarot card readers, palm readers, or any other such practice, etc., are no longer required to present documentation for an initial county local business tax receipt or renewal thereof. Fortune tellers, clairvoyants, soothsayers, tarot card readers, palm readers, or any other such practitioners, etc., must obtain a Class C county local business tax receipt to operate in Polk County.