



Vacation Homes Property Guide Available Online

The Tax Collector's Tourist Development Academy has published a guide for vacation rental homeowners who rent or lease their vacation homes in the "Four Corners" area of Central Florida. This guide is designed to help homeowners better understand tax compliance issues that affect their rental home. The document is available on the home page of the Tax Collector's Office website:

www.polktaxes.com



Upcoming Deadlines:

- ▶ Business Tax Receipts, (formerly Occupational Tax for Businesses) must be renewed, beginning August 1st through September 30th of each year.
- ▶ Tourist Development Taxes are due on the 1st and delinquent on the 20th of each month. Make your payment early to avoid penalty.
- ▶ Renewal applications for Business Tax Receipts are in the mail. If you have not received your renewal form by August 1st, please contact our offices.



The TDA Spring Seminar attendees participated in a lively exchange with DOR representative Connie Bartels during the all-day conference held at the Fantasy of Flight "Orlampa" Conference Center.

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The rental customer can now use their credit card by going online and making a payment through BusinessPay, which makes a payment on their behalf to Imperial Accommodations. Here BusinessPay charges Imperial Accommodations a "convenience fee" for each payment transaction conducted.

To cover this "new" business expense, Imperial Accommodations now includes a "surcharge" on each of their rental customer's bills.

In this case, Imperial Accommodations must include the "convenience fee" related "surcharge" to the total consideration, which is subject to sales and use taxes, including tourist development taxes.

Attention: Third party payment services should not to be confused with booking services (see note).

Note: Third party payment services should not to be confused with booking services. Third party payment services only facilitate payment transactions and disclose their fees, often referred to as "convenience fees," as a separate

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charge apart from the payment amount due to the intended recipient. Booking services can only act as a State Licensed Travel Agent or as an agent of the accommodations provider and are subject to all state sales tax, including tourist development tax, laws and provisions pertaining thereto.

To download additional bulletins, go to:

www.polktaxes.com

Thanks to Connie Bartels!



Connie is a Tax Specialist II with the Florida Department of Revenue as well as a regular presenter at our TDA events. She is a great resource for the Tax Collector's Office and the Vacation Rental Home Industry.

TDA Bulletin

A PUBLICATION OF THE TOURIST DEVELOPMENT ACADEMY

JOE G. TEDDER, CFC ♦ Tax Collector for Polk County, Florida

Issue No. 7
July 15, 2008

Spring Seminar Draws Crowd



Sales Tax Discussion Brings Clarification on Credit Cards

On April 30, 2008, the Tourist Development Academy of the Polk County Tax Collector's Office hosted its 3rd annual Spring Seminar, which was held at the Fantasy of Flight "Orlampa" Conference Center.

As with previous seminars, the participants gathered to hear about updated law and administrative requirements from the representatives of the governing agencies responsible for overseeing vacation home rentals.

Over 60 representatives from the rental home industry attended as **Chris Rudolph**, Chief Deputy, kicked off the event and welcomed newcomers.

Artis Dukes, Economic Development Director, gave an update on the status of online payments. He invited the industry to familiarize itself with the process, which becomes mandatory January 1, 2009.

Other speakers at the seminar were **Mark Jackson**, Tourism & Sports Marketing Director for Polk County; **Wayne Lambright**, Director of Tangible Tax, Polk County Property Appraiser's Office; **Louay Bayyat**, Supervisor, Division of Hotels & Restaurants, Florida Department of Business & Professional Regulations;

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Connie Bartels, Tax Specialist II, Florida Department of Revenue; **Jeff Chase**, Executive Director of the Central Florida Vacation Rental Managers Association; and tax officials from surrounding counties: **Kathy Tsidas**, Osceola County Board of County Commissioner's Tax Auditing Division; **Cathy Adrid**, Lake County Tax Collector's Office, and **Jerry Rhodes**, Orange County Comptroller's Office.

A particularly interactive discussion ensued regarding sales tax remittance for rental homes and how to treat convenience fees when management companies pay online.

Several tax officials in attendance sought to provide some information on the subject, but it became clear that a comprehensive clarification of the issue would be required.

In order to provide clarity and guidance for the vacation rental home industry, the remainder of this Bulletin addresses the issues that were raised during the discussion.

Our thanks to our friends at Polk County Tourism & Sports Marketing! They not only provided the latest promotional activities for summer tourism, they also hosted the delicious luncheon!

The full text of the Tax Advisory Update is included inside.



SOC NEWS

2008 Designated Seal of Compliance Companies

- [CJ Management, LLC](#)
- [Hayes Vacation Home Rentals](#)
- [Liberty Vacation Homes](#)
- [J & M Management Services, Inc. \(Sunsplash\)](#)
- [Personalized Property Management Service](#)
- [Premier Home Management](#)
- [Sovereign Vacation Villas](#)
- [Florida Finesse Property & Management, Inc.](#)
- [Villa4uFlorida](#)

These companies have met or exceeded the industry specific criteria established relating to local tax compliance.

2009
SEAL of COMPLIANCE
DEADLINE FOR NEW
APPLICATIONS

December 1, 2008

Applications online at:

www.polktaxes.com

Advisory For Short Term Rentals...

A vacation rental homeowner or property manager has a lot to think of when dealing with convenience fees and credit card payments. Presently, there is a lot of confusion about convenience fees and credit cards due to state law, credit card company rules, third party online payment services and billing practices.

The big question: **Are convenience fees taxable?**

To answer the question, the circumstances in which convenience fees are applied must be determined.

CONVENIENCE FEES CHARGED WHEN REMITTING TAXES

Government agencies differ on how they accept credit card payments. Some agencies hold a credit card merchant account and, like many businesses, have a direct relationship with credit card companies. In such cases, these government agencies not only have to comply with the law, but with credit card company rules. Presently, these agencies can charge a "convenience fee" for certain types of tax transactions. If an agency has a merchant account and is charging a "convenience fee", they should be able to provide you with a copy of the law and rules authorizing such charges.

Government agencies can also choose not to hold a merchant account and instead accept payments from a third party payment service. Here the agency has no relationship with credit

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card companies and the taxpayer chooses to utilize the third party payment service to facilitate their credit card payment transaction. In such cases, the taxpayer agrees to pay a convenience fee to the third party payment service in return for facilitating their payment transaction to the government agency.

When a vacation rental home owner or property manager uses a credit card to remit a tax payment and bills the rental customer for the "convenience fee" related to the payment of said taxes, it is considered to be a part of the total rent or consideration and is subject to state sales taxes, including tourist development taxes.

Example:

Imperial Accommodations, a property management company, made a business decision to use a credit card to facilitate the remittance of all tourist development taxes to the appropriate Tax Collector's Office. The Tax Collector's Office accepts credit card payments through GovernmentPay, a third party payment service.

To use a credit card in this situation, Imperial Accommodations actually enters into a separate agreement with GovernmentPay to have the payment service pay the tax amount due to the Tax Collector's Office. Imperial Accommodations pays GovernmentPay a "convenience fee" for each payment transaction. To cover this new business expense, Imperial Accommodations now includes a surcharge item on each of their rental customer's bills.

In this case, Imperial Accommodations must include the surcharge to the total consideration, which is subject to sales and use taxes, including tourist development taxes.

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...What's the Deal with Convenience Fees and Credit Cards?

CONVENIENCE FEES CHARGED TO THE RENTAL CUSTOMER

In today's marketplace, a great deal of vacation home rental bookings take place online. When a vacation home owner or property manager conducts an online sale they may hold a credit card merchant account and work directly with the credit card companies or they may utilize a third party payment service to facilitate a credit card payment transaction.

When the vacation home owner or property manager conducts an online sale using a credit card merchant account, it is prohibited by state law to charge an additional surcharge or "convenience fee" to a rental customer for their use of a credit card (Re: F.S. 501.0117).

Example:

Imperial Accommodations, a property management company, made a business decision to directly accept credit card payments from their rental customers. When directly accepting credit card payments from their rental customers, they are prohibited by state law from charging an additional surcharge or "convenience fee."

When the vacation homeowner or property manager conducts an online sale using a third party payment service and the rental customer is charged a "convenience fee" by the third party payment service, and said fee is disclosed to the customer as a separate agreement between the rental customer and third party payment service for payment services rendered, then the "convenience fee" cannot be included on the rental accommodation billing.

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Example:

Imperial Accommodations, a property management company, made a business decision to accept online payments from their rental customers through CustomerPay, a third party payment service that charges rental customers a convenience fee to use their payment service.

The rental customer can now use their credit card by going online and entering into a separate agreement with CustomerPay, which makes a payment on the rental customers' behalf to Imperial Accommodations. Each rental customer utilizing this option pays CustomerPay a convenience fee for conducting a payment transaction.

In this case, Imperial Accommodations did not incur an expense from CustomerPay for the payment transaction and cannot add a surcharge to the total bill for fees paid by the customer to CustomerPay.

Attention: Third party payment services should not to be confused with booking services (see note).

When the vacation homeowner or property manager conducts an online sale using a third party payment service and the vacation homeowner or property manager is charged a "convenience fee" by the third party payment service, and said fee is passed along and charged to the customer by the vacation homeowner or property manager as a part of the total rent, it is subject to state sales taxes, including tourist development taxes.

Example:

Imperial Accommodations, a property management company, made a business decision to accept online payments from their rental customers through BusinessPay, a third party payment service that charges the business a convenience fee for payment services.

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Sea of Orange Stickers



Recently, you may have seen a rash of orange stickers on a number of rental properties. Our Field Deputies are working hard to post delinquent tangible personal property taxes notices and other tax due notices. Thank you for your assistance in their efforts.

Tax Collector's Message

Remember... Our office takes the issue of delinquent tourist development taxes very seriously. Everyone is required to collect and remit taxes monthly. If you know of any short-term renting that is not covered by a tourist development tax account and/or county local business tax receipt (previously referred to as an occupational license), please contact our office.

1-866-OUR-TURN
(1-866-687-8876)

