



Jim Zingale  
Executive Director

General Tax Administration  
Child Support Enforcement  
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October 28, 2002

Wesley Hayes, Fire Marshal  
Polk County Fire Services Division  
P. O. Box 1458  
Bartow, FL 33830

Re: Wholesale Fireworks

Dear Mr. Hayes,

Pursuant to your letter dated September 24, 2002, the following are answers to your questions. The basis of these questions is to assume you're a wholesaler of fireworks. You provided a definition of "Sale of Wholesale" as provided within Section 791.04, Florida Statutes.

**Question # 1                      To whom may I sell fireworks?**

It is important to remember that the Chapter 212, F.S., does not restrict a dealer from making sales, but determines the taxability of a transaction based upon various factors. In order for a sale to be determined as a wholesale sale, the sale must be sold to:

- 1) A reselling dealer who is registered with the Department of Revenue and provides a resale certificate to you advising you of such intent;
- 2) An exempt, non-profit organization that either has a 501(C)(3), I.R.C. designation or a Certificate of Exemption from the Florida Department of Revenue. The organization must provide the exemption certificate at the time of sale and pay directly from their organization funds.

All other sales are considered to be retail sales and sales tax must be collected. Affidavits that are provided by individuals who do not meet the above criteria must pay sales tax on such transactions.

**Question # 2                      For anyone purchasing fireworks from me, are they to be registered in any way with the Department of Revenue?**

Dealers who purchase products at wholesale for the purpose of reselling at retail must obtain a Certificate of Registration from the Department of Revenue prior to engaging in such activity. Once



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Page 2

registered, the dealer may purchase goods and services for resale tax exempt only after issuing a resale certificate to the seller. Exempt, non-profit organizations must also register with the Florida Department of Revenue to obtain a Consumer's Certificate of Exemption. This certificate is presented to the seller to justify the sale is exempt from tax.

**Question # 3                      What responsibilities do I have as a wholesaler in record keeping of products sold?**

Section 212, F.S., requires each dealer to maintain records on all transactions. When making wholesale sales, the dealer must retain all resale certificates and/or Consumer's Certificate of Exemptions to justify sales was exempt from collecting sales tax. Dealers who make wholesale sales without keeping such documentation may be held liable for sales tax on such transactions.

**Question # 4                      Am I, as a wholesaler, required to be registered with the Florida Department of Revenue?**

Dealers who sell goods and services, which are taxable under Florida law, must be registered with the Department whether they make wholesale or retail sales. This is necessary in order to purchase good and services for resale tax exempt and to report their sales and remit their tax collected.

**Question # 5                      What are my responsibilities as a wholesaler to the Department of Revenue for purchasing products from a distributor?**

Dealers who are in the business of making wholesale sales of goods and services tax exempt, must be registered with the Department. Again, in order for a wholesaler to purchase goods and services for resale, they must be present a resale certificate at the time of purchase to the distributor. In addition, they must also maintain books and records of all sales and purchases.

Wes, if you need any further information, please do not hesitate to call.