

# SUPPORT FLORIDA-BASED BUSINESSES BY UPDATING THE STATE'S TAX LAW

The Florida League of Cities **SUPPORTS** legislation to update Florida's sales and use tax laws that apply to online sales from out-of-state retailers to help support and protect Florida's local businesses.

## BACKGROUND

The 2018 U.S. Supreme Court's opinion in ***South Dakota v. Wayfair*** overturned its earlier precedents and eradicated the decades-old "physical presence" requirement for sales and tax nexus.

More than two years later, **Florida remains one of only two states that have not fixed their sales and use tax laws on goods and services to**

help level the playing field for local businesses by requiring out-of-state companies to pay the state's 6% sales tax.

The cost of these goods can then be higher locally because the out-of-state or international seller is not collecting or remitting sales taxes. This **gives these "foreign" businesses an unfair competitive advantage.**

## KEY MESSAGES FOR 2021

**The issue of fairness is an important one.** Local businesses, which sponsor youth sports teams, pay property taxes and support their local economy, are forced to collect and submit sales taxes on items they sell in their communities, while out-of-state retailers are not.

Changes are needed to **ensure in-state retailers are treated equitably** and that the Florida sales and use tax law is equally enforced.

This is **not a new tax**, as it's owed whether collected by a retailer or a consumer.

Florida has relied on an honor system for out-of-state retailers to remit sales taxes to the state, but only a very small percentage do. The result is

**hundreds of millions of dollars left on the table each year.** This voluntary system hurts the local businesses in our state that must collect and remit these taxes.

Local businesses are becoming **nothing more than local showrooms for goods ultimately bought online.**

The pandemic has forced too many Florida-based businesses to shutter. Now more than ever, **it's time we protect our local retailers.**

Requiring all businesses to collect sales taxes would **ensure that the dollars spent by Floridians benefit Floridians.**



For more information, contact  
**Amber Hughes** at 850.701.3621  
or [ahughes@flcities.com](mailto:ahughes@flcities.com).