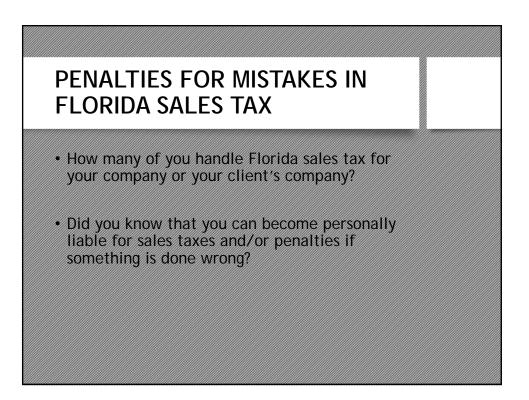
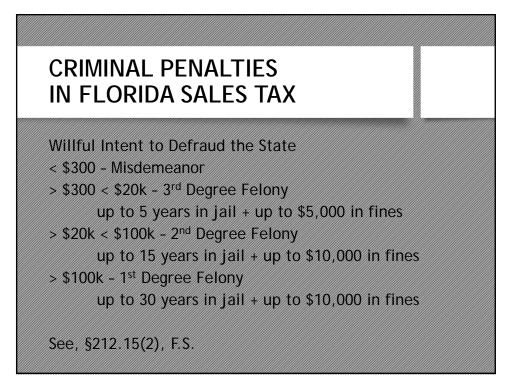


	OOR TAX AUDIT	•••===••••••	
2000	\$119,892,000	2008 \$82,951,000	
2001	\$101,328,000	2009 \$104,345,000	
2002	\$123,093,000	2010 \$97,310,000	
2003	\$116,064,000	2011 \$123,414,000	
2004	\$144,293,000	2012 \$84,651,000	
2005	\$81,379,000	2013 \$272,768,705	
2006	\$86,199,000	2014 \$208,453,962	
2007	\$81,652,000	2015 \$228,407,060	



CIVIL PENALTIES IN FLORIDA SALES TAX

- For example: § 213.29, F.S., provides for a 200% penalty on EACH INDIVIDUAL for failure of any person, Officer, or Director to collect and pay tax or attempt to Evade or Defeat the sales tax.
- § 212.12(2)(C), F.S. imposes a 100% penalty for filing a fraudulent return with willful intent to evade payment.



CRIMINAL PENALTIES IN FLORIDA SALES TAX

WWW.MYFLORIDA.COM/DOR/

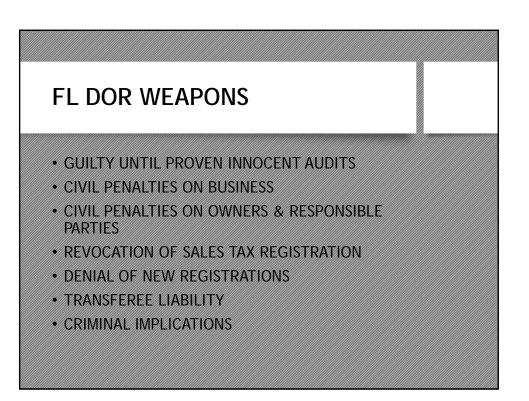
CLICK ON "NEWS RELEASES"

PARTIAL LISTING OF BUSINESS OWNERS ARRESTED FOR SALES TAX THIS YEAR

(Removed from DOR Website April 2017)

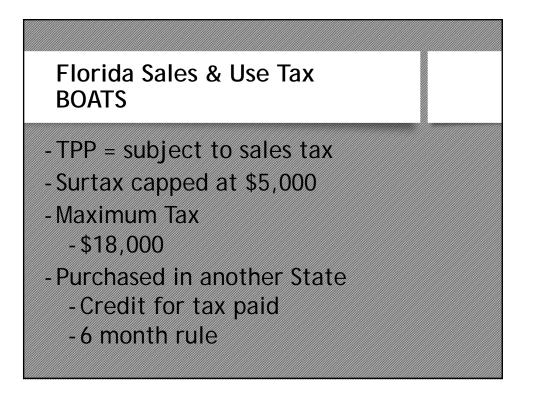
CRIMINAL PENALTIES and BANKRUPTCY

- Remember: Bankruptcy will not extinguish the civil taxes, penalties, and interest.
- Furthermore: Criminal Liability survives bankruptcy and has a 5 year SOL
- But proper planning in Bankruptcy can be a great defense in criminal proceedings.



How to pay fl u	ISE TAX	
Florida Department of Rev De not use this form if you are a registered Flo Purchases made for quarter ending Output Purchaser's Name Print or Type) Address City DOR USE ONLY OUTPUT OU	rida sales tax dealer or if you purchas	ise an alteration boat. R. 09/10 image: boat boat boat boat boat boat boat boat
Or you can file on-line at t (with the other 30 or so pe		

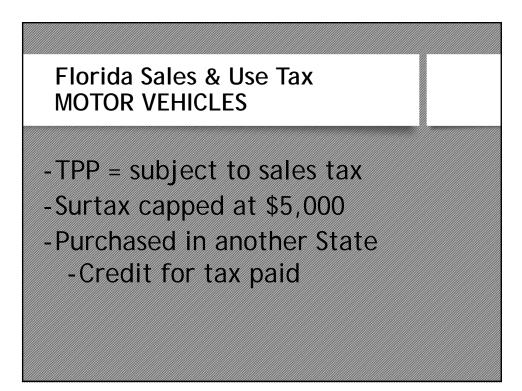




Florida Sales & Use Tax BOATS

Special Rules - Nonresident dealers

- 1. Must get signed affidavit
- 2. Must leave Florida within specified time (rules depending on boat size)
- 3. Seller must provide copy of invoice, bill of sale, closing statement, & affidavit

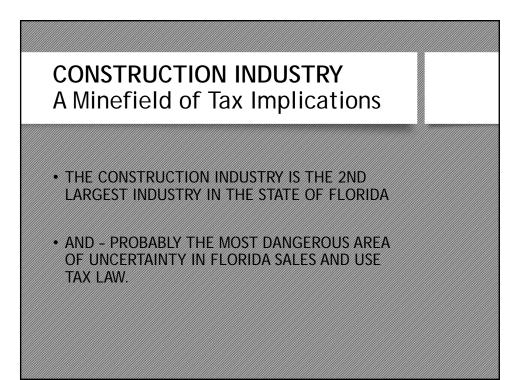


Florida Sales & Use Tax MOTOR VEHICLES

DMV has information so heavily audited industryShipped to another state vs. picked up in Florida

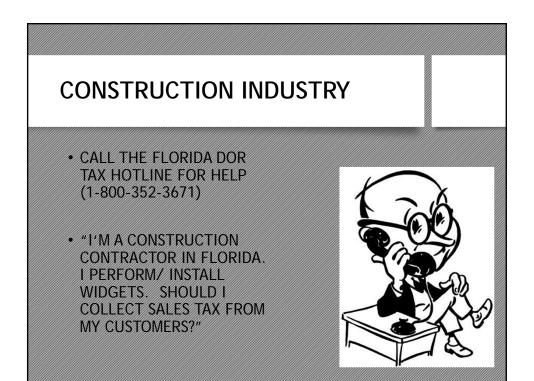
- 1. Shipped to another state = bill of lading
- 2. Sold to out of state resident = DR-123, other states tax applies
- 3. Sold to non-resident dealer Affidavit

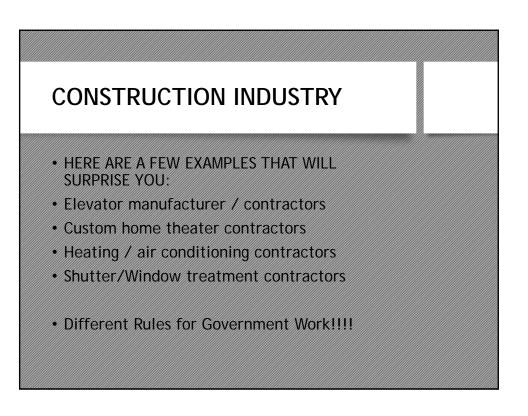
- FULL ONE OUR SEMINAR JUST ON CAR DEALERS (FICPA/FIADA)



CONSTRUCTION INDUSTRY A Minefield of Tax Implications

- FLORIDA SALES TAX DOES NOT APPLY TO THE IMPROVEMENT TO REAL PROPERTY. THESE TRANSACTIONS ARE SIMPLY OUTSIDE THE SCOPE OF FLORIDA SALES TAX.
- CONSTRUCTION IS ALL ABOUT REAL PROPERTY IMPROVEMENT, SO WHY IS THIS COMPLICATED?
- THE QUESTION TURNS ON WHAT IS A 'REAL PROPERTY IMPROVEMENT'



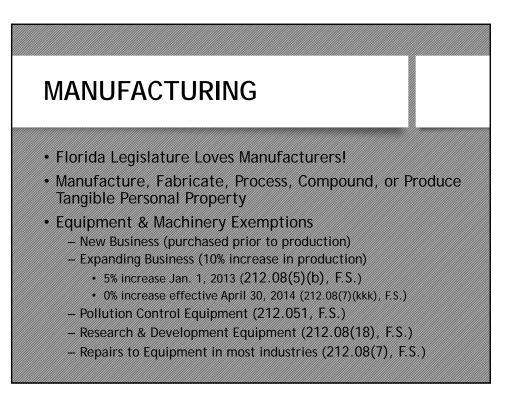


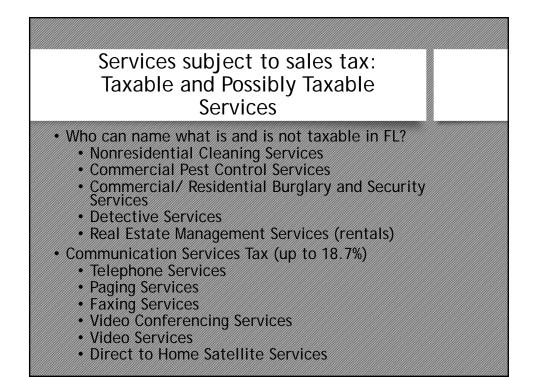


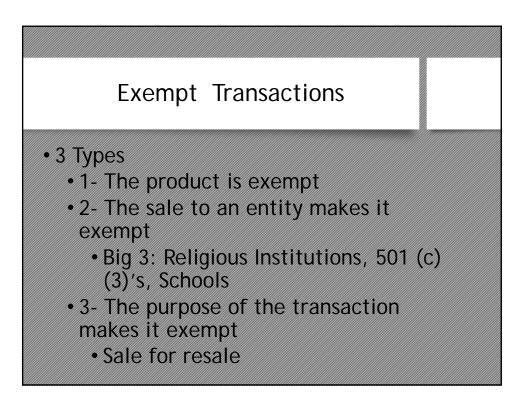
HOTEL/VACATION RENTAL

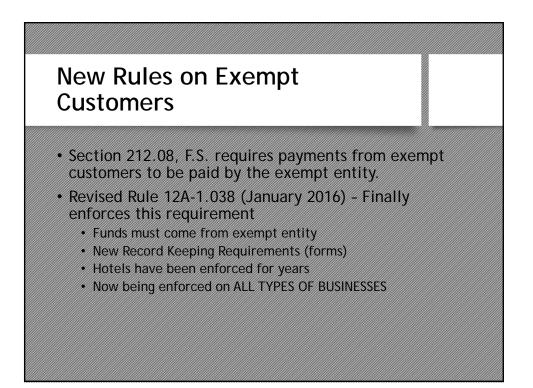
- Amount hotel receives subject to tax (not amount paid to travel websites) (Expedia FL Sp Ct Case)
- All fees paid to hotel contingent on occupancy subject to tax such as cleaning fees
- State Sales Tax PLUS Local Bed Tax (aka tourist development tax)
- Long Term Rental Exempt if > Six Months
- Exempt Rentals Need exemption certificate AND proof payment came from exempt entity

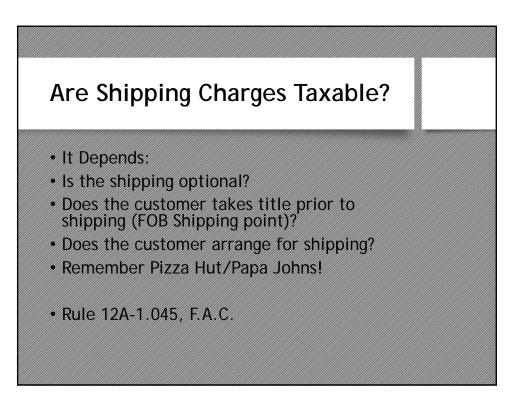


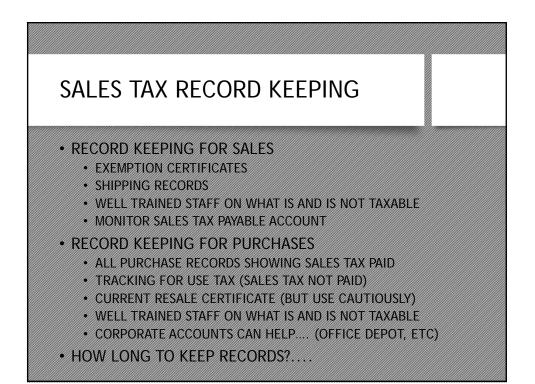




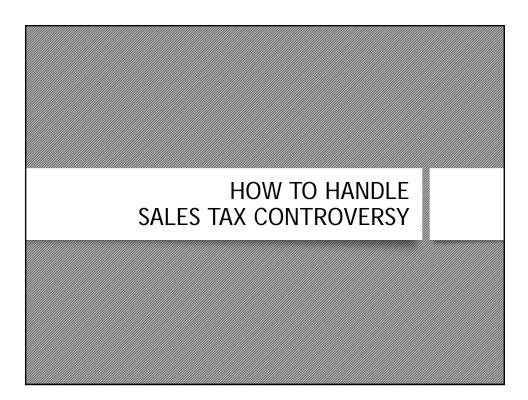






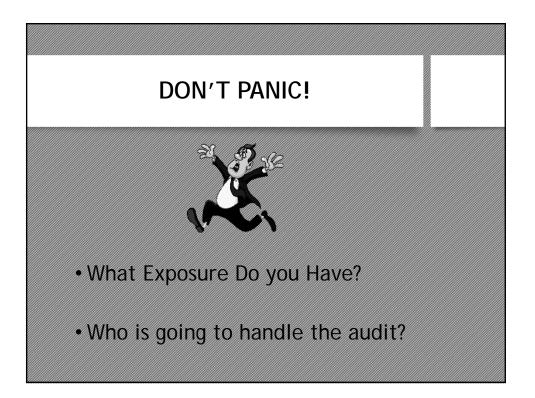






FLORIDA SALES AND USE TAX AUDIT Types of Audits

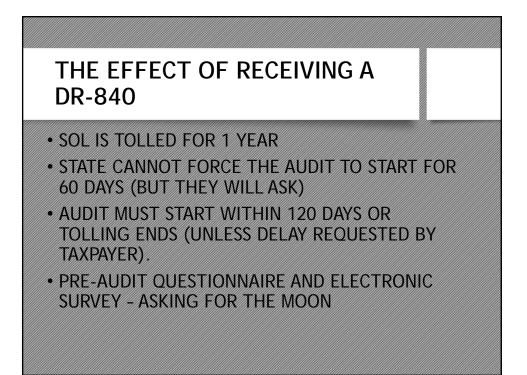
- Letter audit usually about a specific transaction or issue (e.g. purchase of a boat or intercompany rent)
- Self Assessment Request like performing surgery on yourself...
- Office Audit full audit of your company, facilities, procedures, and records. Akin to a lobotomy...
- Criminal Investigation Audit you need a lawyer



COMPLIANCE, ENFORCEMENT, & AUDIT PROCEDURES

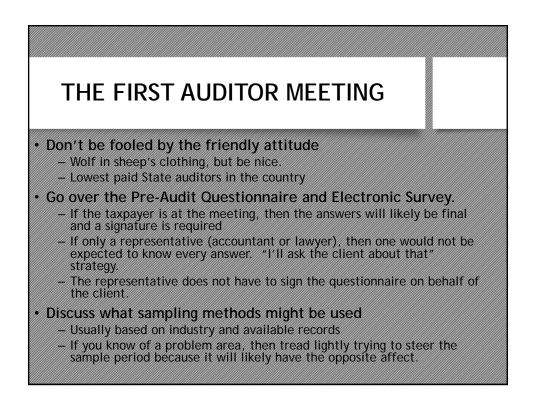
Formal Start of the Audit
 Form DR-840 - Notice of Intent to Audit Books and Records

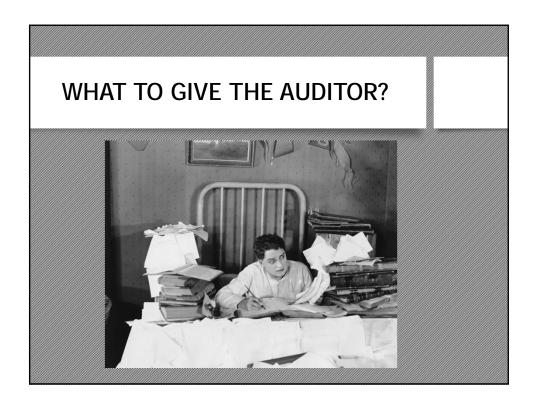
- How/Why Was I Selected?
 - Computer Random Selection
 - Focus on Businesses in a Specific Industry
 - Because of an Internal Revenue Service Audit
 - Information Sharing with Other State Agencies
 - Outcome of a Prior Audit
 - Audit of a Customer or Supplier
 - Business publications, periodicals, journals, etc.
 - Someone turned you in through the Reward Program
- · How Far Back Can the Audit Go? 3 Years

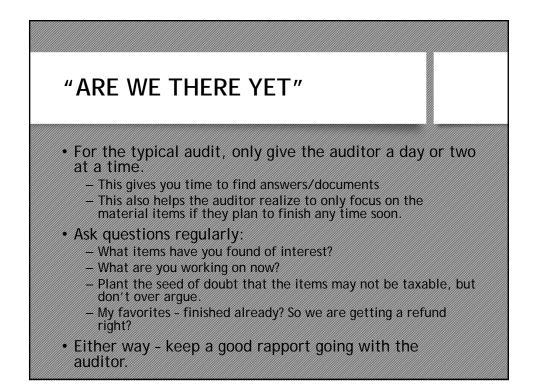


INITIAL CONTACT WITH AUDITOR (VIA PHONE)

- Form DR-835 Power of Attorney
- Discuss timing and location of audit
 - Auditor wants the audit to start ASAP (evaluated on number of completed audits during year).
 - -Must start audit before 120 days from DR-840
 - -If at all possible, DO NOT HAVE THE AUDIT AT YOUR PLACE OF BUSINESS.

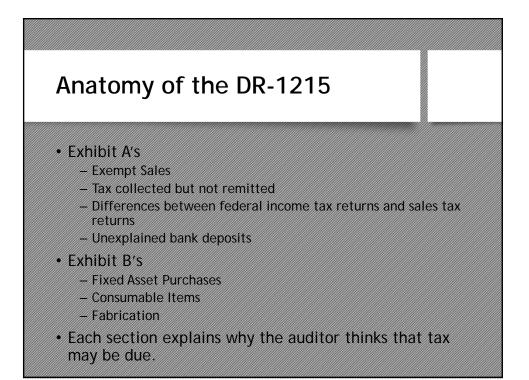






EXTEND THE SOL? Complicated sales and use tax audits or audits of big companies can often exceed the 1 year the SOL is tolled by the DR-840.

- Should you sign the DR-872 Consent to Extend the Time to Issue an Assessment?
 - If you don't sign, then the auditor will likely throw a dart on the wall and guess (high) at what you owe before the SOL runs out. You prove them wrong on Protest.
 - We are usually willing to extend at least once unless there is a concern that has not been noticed yet.
 - Do not extend a year. Extend a two or three months, then reassess.



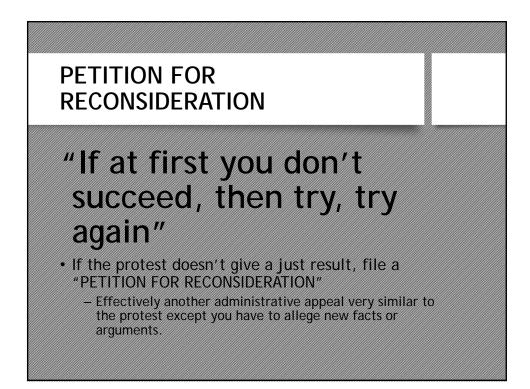
NOTICE OF PROPOSED ASSESSMENT

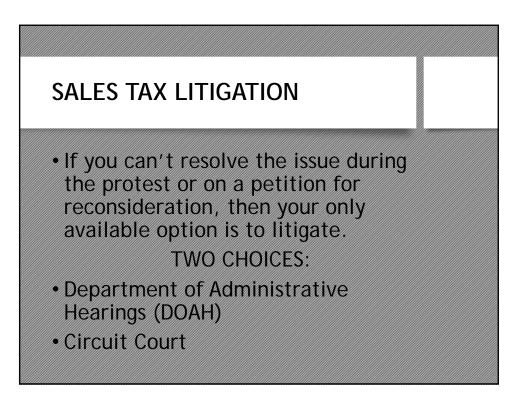
- The Notice of Proposed Assessment is, for all practical purposes, the end of the audit.
- In 60 days, the assessment becomes FINAL ASSESSMENT.
- File a administrative "Protest" within 60 days, or
- Initiate litigation against the Florida Dept. of Revenue within 60 days of the NOPA become final.

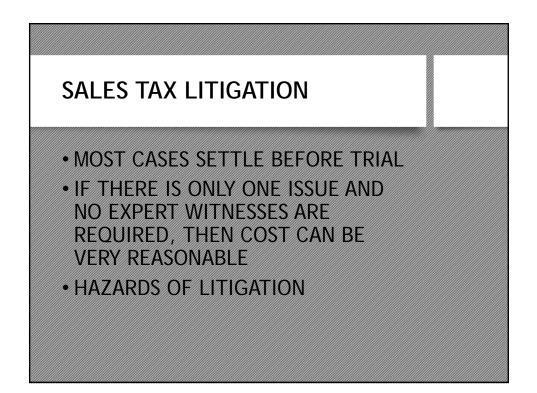
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		CIO LAW OFFICES MOFFA, GAINOR &	ID Number :	
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In tentor of Proposed Assessment: for explanation of Interest tanks (Applicable). If you choose we with the proposed assessment, you request a tank who mongo won the talicular. • normal protein • administrative hearing • administrative hear	In the case of the opposed assessment, from expect a review through one of the following:	Penalty - Fraud Penalty - Fraud Penalty - Other Interest Through 08/02/2012 Total Deficiency Less: Payment(s) Less: Officest (s)	\$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	45.84 0.00 0.00 6,941.84 47,739.75 0.00 0.00
The enclosed brochure provides you with the proceedures for requesting a review. If you for an informal writein protect, you must file it with the Digutament no later than 1001/2012, unless you request and review an existencin profit to the date. If you all to the an informative integration the processed assessment will become a PINAL ASSESSWERT on 100/2012. If you must file your request no later than 11/0/2012 of digs from the date the assessment becomes a Final Assessment. Finals Bladkes mendate this time limit and Distributions and constraints the sense service of the sense of the sense service of t	The enclosed broknue provides you with the procedures for neoesting a neview. If you like an indemnal writes protest, you must file a who he Department no bater than 1001/2012, unless you resver at on receiver point or how date. If you like the like in informal writes provides are sensitively for the date. If you like the like informal writes provides are sensitively for the date. If you like the like informal writes results are sensitively the there is a provide to the result are sensitively the there is provide to the date. If you like the like is the like the l	to Notice of Proposed Assessment" for explanation of into If you do not agree with the proposed assessment, you n	erest rates (if applicable). nay request a review through one of the fol	lowing:
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notice date. Please return yoir payment in the enclosed envices and include the NOVA lemitance coupon. The amount beam on the sories may real-located envices and access of the billings previously issued by the Department. NOTE: If you are pontected by HeC Pearlinest. Code). Ref requestions and correspondence to: Consellated Departments Po One 3139 Ponte 3139	notice date. Please return yoir payment in the enclosed envices and include the NOVA lemitance coupon. The amount beam on the sories may real-located envices and access of the billings previously issued by the Department. NOTE: If you are pontected by HeC Pearlinest. Code). Ref requestions and correspondence to: Consellated Departments Po One 3139 Ponte 3139	or 60 days from the date the assessment becomes a Fin the Department cannot extend it. You must file the petitic Revenue. For judicial proceedings, you must file a comp	al Assessment. Florida Statutes mandate on for an administrative hearing with the Dr laint with the appropriate Clerk of the Court	this time limit and epartment of t.
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P.O. Box 5139 Tallahassee, FL 32314-5139	P.O. Box 5139 Tallahassee, FL 32314-5139			
		P.O. Box 5139 Tallahassee, FL 32314-5139		

ADMINISTRATIVE PROTEST

- After the NOPA is issued, you should take the opportunity to file an administrative appeal to the audit assessment.
- This is the first venue where "gray areas of law" can be addressed.
- Compromises can be made (e.g. doubt as to collectability)
- A payment plan can be negotiated
- Do NOT miss your opportunity to whittle away at the assessment on Protest.

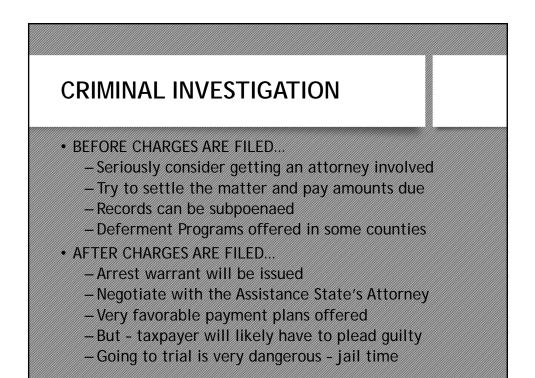


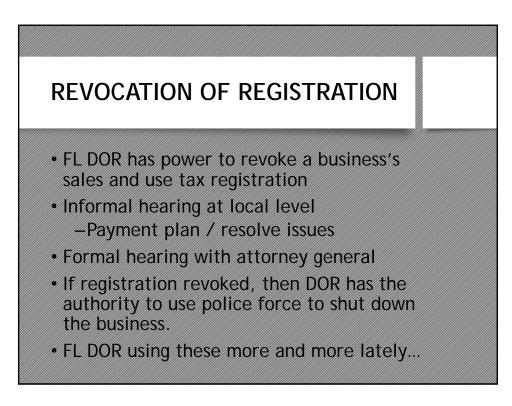




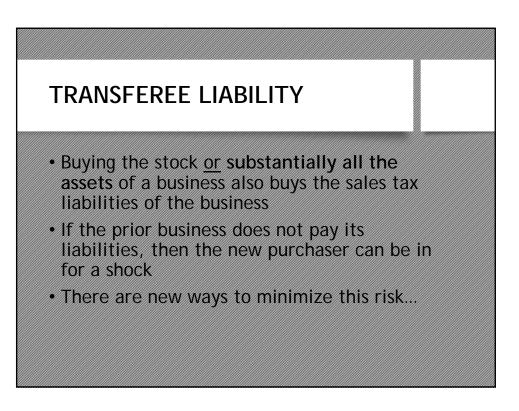
CRIMINAL INVESTIGATION

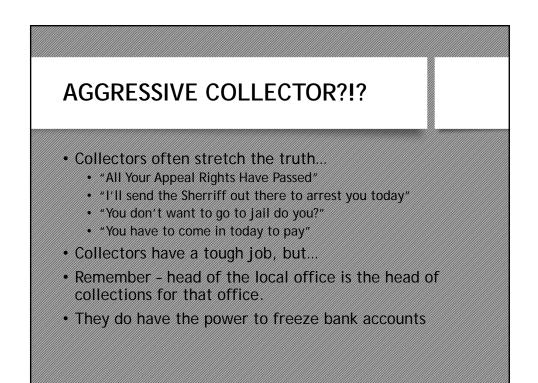
- Friendly surprise visit from a DOR agent?
- LOOK at the business card -"INVESTIGATOR"
- Take this VERY seriously!
- Remember accountant/client privilege does not apply in criminal matters.
- KOVEL LETTER gives accountant the protections of attorney-client privilege.

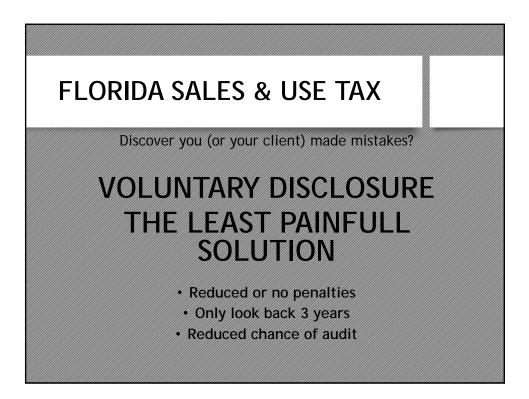


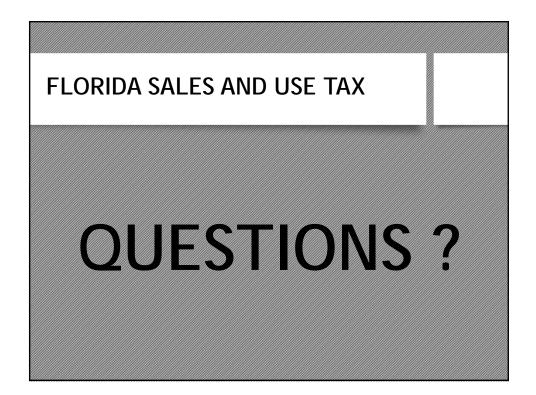












FLORIDA SALES AND USE TAX

James H Sutton, Jr., CPA, Esq Moffa, Sutton, & Donnini, PA JamesSutton@FloridaSalesTax.com 813-775-2131

PLEASE DON'T HESITATE ASKING QUESTIONS AFTER THE PRESENTATION