AFFILIATED GROUPS: REGISTRATION AND REPORTING

Each business location in Florida of each legal entity included in an affiliated group of corporations for Florida sales tax purposes must be registered under the Florida sales tax law. In addition, one or more out-of-state locations for each legal entity may register at the taxpayer's option. In any event, each included legal entity must be represented by at least one dealer registration certificate.

Taxable sales should be reported from or ascribed to the location at which the largest portion of the cost of performance is incurred. Taxable purchases (use) of tangible personal property should be reported from or ascribed to the location at which the property is used; however, for tangible personal property without a business situs, the purchase should be reported from the location to which the property was delivered. Taxable purchases of services should be reported from the location which: (a) takes delivery of tangible personal property representing or embodying the result or product of the service; or (b) if (a) is not applicable, the location which contracted for purchase of the service.

A separate tax return is required for each registered location unless the business requests, by letter, to file on a consolidated or combined basis.

Under the combined filing method, all registered locations of a legal entity within a single Florida county are reported on a single tax return (Form DR-15, the standard return).

Under the consolidated filing basis, all registered locations of the business are reported on a single tax return, Form DR-15CS. This return is accompanied by a worksheet (Form DR-7) showing taxable sales and purchases by county (67 entries) and out-of-state (1 entry). A separate worksheet must be filed for each legal entity included in the consolidated filing. A consolidated return (Form DR-15CS) may be filed for all legal entities included in the affiliated group, for each legal entity, or for subsets of legal entities.

All affiliated groups filing monthly returns on the ordinary, combined or consolidated basis, for the included members of the affiliated group (IMAGs) as a whole must file a supplemental sales and use tax return (Form DR-15S).

If the parent of the IMAG's does not have sales tax nexus with Florida, the affiliated group must designate another included member which has sales tax nexus with this state as the corporation which will act as the designated agent responsible for filing on behalf of the affiliated group the affiliated group's supplemental sales and use tax return and making the remittance of tax due thereon or filing a claim for refund when appropriate. The designation of the agent corporation must be made in writing to the Department on or before the last day of the affiliated group's fiscal year.