

Florida Tax Statutes Clarified to Address Timeshare Exchanges

Due to the variety of transactions involving timeshares, there has been uncertainty concerning which transactions are taxable and which transactions are not taxable. **Effective July 1, 2009**, Chapter 2009-133, Laws of Florida (House Bill 61), clarifies the law governing state and local taxes due on certain timeshare transactions. The clarifications provide the following:

- The exchange of a timeshare unit for the use of another timeshare unit is **not** subject to tax.
- Any membership fee or transaction fee paid by the timeshare owner to an exchange program for a timeshare exchange is **not** subject to tax.
- **A timeshare inspection package purchased in this state is subject to tax**, unless the consideration is applied to the purchase of a timeshare estate. Tax is due on the last day of occupancy. A timeshare inspection package is where the purchaser receives the right to use a timeshare unit after attending a sales presentation but has not yet purchased a timeshare interest.

These same clarifications apply to vacation clubs only if the club meets the definition of a "multisite timeshare plan" contained in section 721.52, Florida Statutes. Vacation clubs that do not meet the definition of a "multisite timeshare plan" are not affected by these changes.

These statutory amendments are clarifying and remedial in nature only and do not provide a basis for the assessment or refund of tax for periods prior to July 1, 2009.

Reference: Sections 125.0104, 125.0108, 212.03, and 212.0305, Florida Statutes

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

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For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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