

# RURAL ENTERPRISE ZONES

## BUILDING MATERIALS SALES TAX REFUND

FORM EZ-M (Building Materials Sales Tax Refund Application for Eligibility) (R. 07/05)  
FORM DR-26S Florida Department of Revenue Application for Refund) (R. 01/06)  
(s. 212.08 (5)(g), F. S.)

- Eligibility:
- Property being renovated must be located in a Rural Enterprise Zone.
  - Businesses and Residents are eligible for the sales tax refund.
  - Incentive limited to owners, lessors, lessees of the real property that is rehabilitated within an enterprise zone.
  - **Sales tax refund is available only one time per parcel of real estate unless there is a change in ownership, a new lessor or a new lessee.**
- Refund Calculation: 97% of the state sales tax (6%) paid on Building Materials.
- Minimum Refund: \$500.00 (Purchase amount = \$8,600.00)
- (Example: \$8,600.00 building materials purchased)
- $$\begin{array}{r} \phantom{\$}8,600.00 \\ \times .06 \text{ (state sales tax)} \\ \hline \phantom{\$}516.00 \\ \phantom{\$}8,600.00 \\ \times .97 \\ \hline \phantom{\$}8,083.52 \end{array}$$
- \$500.52 (amount of sales tax refund)
- Maximum Refund:
- If 20% or more of the permanent, full-time employees of the business are **residents of an enterprise zone**, the maximum refund per application will be no more than the lesser of \$10,000 or 97% of the state sales tax paid.
  - If less than 20% of the permanent, full-time employees of the business are **residents of an enterprise zone**, the maximum refund per application will be no more than the lesser of \$5,000 or 97% of the state sales tax paid.
- Processing Time:
- Forms must be filed with the Department of Revenue within six months after the improvements are certified by the building inspector as being substantially complete or within September 1<sup>st</sup> after the rehabilitated property is first subject to assessment for improvements to real property completed on or after July 1, 2005.**
  - EZDA has 10 business days to process and certify forms.
- Copies:
- Form EZ-M (when approved by EZDA Coordinator) is given to taxpayer who will submit original with Form DR-26 (with supporting documentation) to the Department of Revenue.
  - One copy for EZDA files.

Questions? Tax Information Services: 850/488-6800