

Florida

Department of Highway Safety and Motor Vehicles

Division of Motor Vehicles

PROCEDURE TL-08	SUBJECT: SALES AND USE TAX -- TRANSFER OF MOTOR VEHICLES, MOBILE HOMES <u>AND VESSELS</u>		
DESCRIPTION AND USE: THIS PROCEDURE IS PROVIDED TO ASSIST TAX COLLECTOR EMPLOYEES, LICENSE PLATE AGENCY EMPLOYEES AND THE DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES IN DETERMINING PROPER SALES TAX TO BE COLLECTED WHEN TRANSFERRING OWNERSHIP OF A MOTOR VEHICLE, MOBILE HOME <u>OR VESSEL</u> .			
<p>I. PROVISIONS OF LAW:</p> <p>Chapter 212, Florida Statutes, provides for the sales and use tax pertaining to motor vehicles/<u>vessels</u> and is implemented by Rule 12A-1, Florida Administrative Code.</p> <p>Section 212.06(10), Florida Statutes, states “No title certificate may be issued on any <u>vessel</u>, mobile home, motor vehicle, or other vehicle, or, if no title is required by law, no license or registration may be issued for any <u>vessel</u>, mobile home, motor vehicle, or other vehicle, unless there is filed with such application for title certificate or license or registration certificate a receipt, issued by an authorized dealer or a designated agent of the Department of Revenue, evidencing the payment of the tax imposed by this chapter where the same is payable. A presumption of sales and use tax applicability is created if the motor vehicle is registered in this state. For the purpose of enforcing this provision, all county tax collectors and all persons or firms authorized to sell or issue <u>vessel</u>, mobile home, and motor vehicle licenses are hereby designated agents of the department and are required to perform such duty in the same manner and under the same conditions prescribed for their other duties by the constitution or any statute of this state. All transfers of title to <u>vessels</u>, mobile homes, motor vehicles, and other vehicles are taxable transactions, unless expressly exempt under this chapter.”</p> <p>Section 212.08(3), Florida Statutes, allows for an exemption of tax on the sale, rental, lease, use, consumption, or storage for use in this state of power farm equipment used exclusively on a farm or in a forest for agricultural purposes. See Florida Department of Revenue Tax Information Publication (No: 05A01-03) for information concerning the exemption.</p>			
<p><i>Revision(s) to this Procedure: Updated web link to DOR on page 8. Added new Exhibits B & D. Changes to state sales tax rates. Exhibit C (added questions 15, 16, 17 and 18). Combined procedure VSTL-08 into this procedure.</i></p>			
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<p>II. DOCUMENTATION AND SPECIAL INSTRUCTIONS:</p> <p>A. SALES TAX COLLECTIONS:</p> <p>1. Florida law requires sales tax to be collected on the purchase price of a motor vehicle, <u>mobile home or vessel</u>. In the case of a straight sale, six (6) percent tax will be collected on the total purchase price. Straight sales are those sales that do not involve a trade-in of a motor vehicle, mobile home <u>or vessel</u>.</p> <p>2. In the case of sales involving trade-ins, sales tax must be collected on the amount of the cash difference between the retail value of the trade-in, as covered in any official used motor vehicle, <u>mobile home or vessel guide, and</u> the sale price of the <u>motor</u> vehicle, <u>mobile home or vessel</u> acquired. The trade-in <u>motor</u> vehicle, <u>mobile home or vessel</u> may be provided by a third-party other than the purchaser. The trade-in <u>motor</u> vehicle, <u>mobile home or vessel</u> does not have to be titled in the name of the purchaser, to be used for trade-in credit, as long as the <u>motor</u> vehicle, <u>mobile home or vessel</u> trade-in and the <u>motor</u> vehicle, <u>mobile home or vessel</u> purchase are part of a single transaction.</p> <p>NOTE: In addition to the six (6) percent sales tax, some counties charge a local discretionary sales surtax. <u>Refer to III, E for the Department of Revenue's website and further information.</u></p> <p><u>3. Discretionary surtax is calculated on motor vehicles, mobile homes or vessels when the residence address of the purchaser on the certificate of title or registration is located within a discretionary surtax county. Refer to III, E of this procedure for additional information on discretionary surtax.</u></p> <p><u>4.</u> Sales tax exemption information may be specified on one of the following forms: Form HSMV 82040, Application for Certificate of Title with/without Vehicle Registration, accurately completed.</p> <p>or,</p> <p>Form HSMV 82041, Application for Vehicle/Vessel Certificate of Title and/or Registration, accurately completed.</p> <p><u>5.</u> If a motor vehicle, <u>mobile home or vessel</u> transaction is handled by a dealer, the dealer must collect sales tax, if applicable, and advise the department of the amount of sales tax collected. This may be done in the following manner:</p> <p>a. The amount of sales tax collected may be shown on the Florida Certificate of Title being transferred.</p> <p>b. The amount of sales tax collected may be shown on forms HSMV 82091, Reassignment Supplement to a Certificate of Title, or HSMV 82994, Motor Vehicle Dealer Title Reassignment Supplement, when applicable.</p>	
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<p style="text-align:center">c. On new motor vehicles, <u>mobile homes or vessels</u> or those with out-of-state proof of ownership sold by a dealer, the amount of sales tax collected may be shown on form HSMV 82040, Application for Certificate of Title with/without Vehicle Registration.</p> <p>NOTE: When a dealer collects sales tax, they must enter their firm name, dealer license number <u>(if applicable)</u>, sales tax registration number and signature when completing one of the above forms. If sales tax is not applicable, the dealer's information (dealer's name, address and dealer's license number, if applicable) must still be shown on the reassignment document, as this information is required to be entered into FRVIS.</p> <p style="text-align:center">d. A sale by a Florida motor vehicle dealer to a resident of another state, within the United States, is taxable in an amount equal to the sales tax which would be imposed on such sale in the purchaser's state of residence (see Exhibit B).</p> <p>NOTE: However, the amount of sales tax collected from the out of state resident must NOT exceed Florida's state sales tax of six (6) percent, even if the vehicle was purchased from a Florida county with a discretionary sales surtax.</p> <p style="text-align:center">At the time of the sale the purchaser shall execute a notarized statement of his intent to license the vehicle in his state of residence within 45 days from the date of purchase,</p> <p style="text-align:center">and</p> <p style="text-align:center">1. pay Florida sales tax to the dealer making the sale in an amount equivalent to the sales tax in the purchaser's state of residence,</p> <p style="text-align:center">and</p> <p style="text-align:center">2. furnish the dealer making the sale with a signed copy of the notarized statement which the dealer shall retain in his records,</p> <p style="text-align:center">and</p> <p style="text-align:center">3. submit the original notarized statement to the appropriate sales tax collection agency in his state of residence.</p> <p>NOTE: The Department of Revenue prescribes form DR-123, Affidavit for Partial Exemption of a Motor Vehicle sold for Licensing <u>in Another State</u>, to be completed by the purchaser and furnished to the selling dealer or appropriate sales tax collection agency in lieu of the notarized statement.</p>	
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<p>B. SALES OR USE TAX IS APPLICABLE TO THE FOLLOWING CERTIFICATE OF TITLE TRANSACTIONS:</p> <ol style="list-style-type: none">1. Transfers from an individual to an individual.2. Transfers from a partnership to an individual.3. Transfers from a partnership to a corporation.4. Transfers from an individual to a corporation.5. Transfers from a corporation to a corporation (unless transferred by reason of corporate consolidation or merger).6. Transfers from a corporation to an individual, even if the individual is the sole shareholder of the corporation.7. When assuming a lien (transfer of equity). The amount paid and any unpaid balance due the seller or lienholder and assumed by the transferee are taxable.8. Transfers from a sole proprietorship which incorporates to the new corporation resulting from the incorporation. Any amount paid and any unpaid amounts assumed are taxable. In the absence of a stated consideration, the fair market value will be regarded as the basis for the computation of sales tax.9. When the motor vehicle use is classified as a taxicab <u>or the vessel use is classified as a water taxicab.</u>10. All permanent residents of Florida must pay sales and use tax when titling or registering motor vehicles, mobile homes <u>or vessels</u> in Florida. <p>NOTE: An exemption <u>from payment of sales and use tax may apply when a member of the United States military, who is a permanent Florida resident stationed outside Florida, purchases a motor vehicle or vessel outside of Florida and titles and registers the motor vehicle or vessel in Florida. The military member must provide a notarized affidavit (example shown as Exhibit D) attesting to all the exemption requirements.</u></p> <p>Another exception may also apply to individuals who are temporarily living in another state for six months or more, such as a student going to school in another state. A notarized affidavit would also be required from the individual explaining the circumstances and stating they will not bring the motor vehicle or vessel into Florida for at least 6 months. This affidavit would be in addition to their other required documentation. If in doubt if the person is exempt, contact the Department of Revenue for confirmation.</p>	
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<p>11. Motor vehicles, <u>mobile homes or vessels</u> won through a contest are subject to sales tax on the retail value of the motor vehicle, <u>mobile home or vessel, unless the sales tax has been paid on the motor vehicle, mobile home or vessel by the donor of the gift or prize.</u></p> <p>12. Transfer to or from a trust for a consideration is taxable based on the cash or equivalent paid in exchange for the transfer plus the amount of any outstanding lien assumed. (It is exempt only if transferred for no consideration.)</p> <p>13. In the case of a casual sale when a temporary license plate is issued so that the motor vehicle can be taken to port to send overseas or taken to another state for title issuance. However, <u>motor</u> vehicles purchased by residents of other states are subject to the partial exemption if the <u>motor</u> vehicle is to be licensed in their home state within 45 days and the purchaser completes the partial exemption affidavit. See II, A, 5, d.</p> <p>C. THE FOLLOWING SITUATIONS ARE EXEMPT FROM SALES TAX:</p> <p>1. Even trade of another <u>motor</u> vehicle, mobile home <u>or vessel</u>.</p> <p>2. Trade down.</p> <p>3. Divorce, a copy of the Divorce Decree must be submitted with the application for certificate of title.</p> <p>4. Inheritance.</p> <p>5. Gift (No lien assumed).</p> <p>6. Transfer of a certificate of title from a partnership to one of the partners as part of the final dissolution of the partnership.</p> <p>7. Transfer of certificate of title by a dissolved corporation to one of its stockholders as part of the stockholder's ratable portion of the corporation's assets. It does not constitute a sale of a motor vehicle <u>or vessel</u> by the dissolved corporation to the stockholder.</p> <p>8. When a Florida licensed <u>motor vehicle</u> dealer <u>or a vessel dealer</u> applies for a Florida Certificate of Title in the dealership's name with or without a lien and the motor vehicle <u>or vessel</u> is being held in inventory for sale in the regular course of business, or is being operated in connection with such dealer's business with a dealer's license plate pursuant to section 320.13, Florida Statutes, <u>if applicable</u>.</p> <p>9. Transfer of a certificate of title into the name of the surviving corporation by reason of corporate consolidation or merger in accordance with Chapters 607 or 617, Florida Statutes, or a reorganization as defined in Section 368(a)(1), of the Internal Revenue Code, solely in exchange of stock.</p>	
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<p>10. When a corporation simply changes its name and files the change of name with the Florida Department of State. A copy of the name change documents must be attached to the application for certificate of title.</p> <p><u>11.</u> Redemption of a repossessed motor vehicle by the original customer or co-owner named on the title prior to the repossession, who defaulted on the loan, is not a sale and is not taxable (provided the redemption occurs within 90 days of the repossession).</p> <p><u>12.</u> When a member of the Miccosukee or Seminole Tribe in Florida purchases a motor vehicle and delivery takes place on the reservation.</p> <p>NOTE: If delivery of the vehicle does not take place on the reservation, sales tax is due.</p> <p><u>13.</u> Any Off-Highway vehicle that is used exclusively on a farm or in a forest for agricultural purposes is exempt from sales tax, pursuant to section 212.08(3), Florida Statutes.</p> <p><u>14.</u> <u>An exception to the payment of non-exempted sales tax on a complete vessel rig may be made if the applicant furnishes a properly executed itemized bill of sale which separately describes and itemizes (prices) all items including the vessel, outboard motor and trailer. In such instances, only the vessel and trailer will be subject to the payment of sales tax.</u></p> <p>NOTE: <u>In the event of such a transaction, a copy of the executed bill of sale must accompany the title transfer application in order to document the reason for the payment of less than the full amount of the sales tax based on the assignor's total selling price recorded on the title document. The above exception is limited to casual sales between individuals. The sales tax exemption on the motor provisions of the exemption applies only to outboards.</u></p> <p>15. When a Florida vessel dealer sells a vessel to an out-of-state purchaser and the purchaser intends to register the vessel in his state of residence they must execute a notarized statement of their intent to register the vessel within 90 days from the date of purchase.</p>	
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<p>D. TAXING VEHICLES PREVIOUSLY REGISTERED OUT OF STATE:</p> <p>The owner of a motor vehicle, mobile home <u>or vessel</u> who purchased it in another state, territory of the United States or the District of Columbia, six months or more prior to the time the motor vehicle, mobile home <u>or vessel</u> was brought into this state is not subject to the six percent Florida sales or use tax or local discretionary sales surtax. Documentary evidence must be shown that the motor vehicle, mobile home <u>or vessel</u> was used for six months or more in such jurisdiction.</p> <p>If the motor vehicle, mobile home <u>or vessel</u> was purchased and used less than six months in another state, territory of the United States or the District of Columbia, the full amount of the six percent Florida sales or use tax and local discretionary sales surtax is required to be paid before title and <u>registration</u> can be issued by the department.</p> <p>NOTE: However, a credit is allowed for a like tax paid in another state, territory of the United States or the District of Columbia, against the amount of Florida sales or use tax and local discretionary sales surtax (see Exhibit <u>B</u>). For credit allowed, ONE of the following would apply:</p> <ol style="list-style-type: none">1. If the credit is equal to or greater than the amount imposed by this state, no additional tax is due.2. If the credit is less than the amount imposed by this state, only the difference between the two would be due. <p>If a motor vehicle, mobile home <u>or vessel</u> was purchased in a foreign country, six percent Florida sales or use tax and local discretionary sales surtax is required to be paid before a certificate of title and <u>registration</u> can be issued by the department. The amount upon which the tax is applied is the fair market value on date of entry. No credit is allowed for any sales or use tax paid to a foreign country.</p> <p>NOTE: If a vehicle/vessel was originally titled in Florida (sales tax was paid); was taken to another country and is returning from that country in the same owner's name, sales or use tax would NOT be due.</p> <p>E. TAXING MOBILE HOMES:</p> <p>The transfer of a mobile home which bears an "MH" decal issued under the provisions of section 320.081, Florida Statutes, and which was purchased as living accommodations or for rental as living accommodations, is taxable. Transfers of mobile homes which have "RP" decals are exempt provided the land and mobile home <u>are</u> sold together.</p> <p>Taxation on mobile homes under section 193.075, Florida Statutes, as tangible personal property does not relieve the owner from the requirement of buying a mobile home decal under section 320.015(2), Florida Statutes.</p>	
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<p>III. MISCELLANEOUS INFORMATION:</p> <p>A. See Forms Appendix for a sample of the HSMV forms referred to in this procedure.</p> <p>B. It is the position of the Department of Revenue that credit shall be given for a like tax paid on a motor vehicle <u>or vessel</u> in another state including local taxes; i.e., county and/or city, as long as the tax is legally imposed on the sale of the motor vehicle <u>or vessel</u>. For example, a local property or ad valorem tax imposed on a <u>motor</u> vehicle <u>or vessel</u> would not be a like tax for Florida's credit provisions.</p> <p>C. For information concerning the requirements for a licensed common carrier to obtain the "partial sales tax exemption (at the time of purchase)," refer to Rule 12A-1.064(4), Florida Administrative Code, located at: http://www.flrules.org/gateway/RuleNo.asp?ID=12A-1.064</p> <p>D. A "Definitions" page is attached as Exhibit A.</p> <p>E. For information on "Discretionary Sales Surtax" (for each applicable county) go to the Department of Revenue's website located at: http://dor.myflorida.com/dor/forms/download/!discretionary.html</p> <p>F. <u>To view</u> "Florida Department of Revenue Tax Information Publications" go to the Department of Revenue's website located at: http://dor.myflorida.com/dor/tips/</p> <p>H. A schedule of "Sales Tax Rates and Tax Credit Application" is attached as Exhibit <u>B</u>.</p> <p>I. "Frequently Asked Questions and Answers" is attached to this procedure as Exhibit <u>C</u>.</p> <p>J. <u>An "Affidavit for U.S. Military Service Personnel (Currently Stationed Outside of Florida) Claiming an Exemption from Florida Sales Tax" is attached as Exhibit D.</u></p> <p>K. Rebates provided by manufacturers to purchasers of tangible personal property are not discounts allowed between the seller and the purchaser. The initial purchase of the item and the honoring of a rebate claim by the manufacturer are two separate and distinct transactions. Sales tax is calculated on the total sales price, without any deduction for the manufacturer's rebate.</p>	
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EXHIBIT A

DEFINITIONS

DISCRETIONARY TAX

Additional surtax imposed by certain counties on motor vehicles, mobile homes and vessels purchased by residents of that county.

SALES TAX

A tax imposed by the state of Florida on motor vehicles, mobile homes and vessels sold in the state of Florida (sales tax is collected on the purchase price of the motor vehicle, mobile home or vessel less the retail value of the trade-in).

SERVICE WARRANTY

Any contract which indemnifies the holder of the contract for the cost of maintaining, repairing or replacing tangible personal property. This term includes motor vehicle warranties issued under Part 1 of Chapter 634, Florida Statutes.

USE TAX

A tax imposed by the state of Florida on the purchase of a motor vehicle, mobile home or vessel which was not purchased in Florida, but brought into and used in Florida during the first six months of ownership. Proof of an actual sales tax paid in other states may be allowed as a credit against this use tax. Motor vehicles or vessels previously registered in a foreign country are subject to the full use tax regardless of how long they have been owned or how much tax was paid in the foreign country. (See Exhibit B)

EXHIBIT B (page 1)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	SALES TAX RATE	IS CREDIT ALLOWED BY FLORIDA FOR TAX PAID IN OTHER STATE?	IS CREDIT ALLOWED BY OTHER STATE FOR TAX PAID IN FLORIDA?
ALABAMA	2% 4% (on boats without motors)	YES	YES
ALASKA	0%	NO	NO
ARIZONA	5.6%	YES	YES
ARKANSAS	6%	YES	NO
CALIFORNIA	7.25 %	YES	YES
COLORADO	2.9%	YES	YES
CONNECTICUT	6%	YES	YES
DELAWARE	0%	YES	YES (If re-titled in Delaware within 90 days from date of the Florida title.)
DISTRICT OF COLUMBIA	0%	NO	NO
FLORIDA	6%	REFER TO THIS LIST BY STATE FOR TAX CREDIT PROVISIONS	
GEORGIA	4% (dealer sales) 0% for casual sales	YES	YES
HAWAII	0%	NO	YES
IDAHO	6%	YES	YES
ILLINOIS	6.25%	YES	YES
INDIANA	6%	YES	YES

EXHIBIT B (page 2, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	SALES TAX RATE	IS CREDIT ALLOWED BY FLORIDA FOR TAX PAID IN OTHER STATE?	IS CREDIT ALLOWED BY OTHER STATE FOR TAX PAID IN FLORIDA?
IOWA	<u>0%</u>	YES	YES
KANSAS	5.3%	YES	YES
KENTUCKY	0% for motor vehicles sold to KY residents 6% for motor vehicles sold to FL residents 6% (mobile homes, trailers & boats)	YES	YES
LOUISIANA	4%	YES	YES
MAINE	5%	YES	YES
MARYLAND	0%	<u>YES</u>	NO
MASSACHUSETTS	5%	YES	YES
MICHIGAN	6%	YES	YES
MINNESOTA	6.5%	YES	YES
MISSISSIPPI	5% on motor vehicles and light trucks <u>10,000 lbs. or less</u> 3% on heavy trucks and semi-trailers (7% on all other trailers) 7% on motorcycles	YES	NO (except on mobile homes)
MISSOURI	4.225%	YES	YES
MONTANA	0%	NO	NO
NEBRASKA	5.5%	YES	YES
NEVADA	6.5, 6.75, 7, <u>7.125</u> , 7.25, <u>7.375</u> or 7.75% DEPENDING UPON COUNTY	YES	YES
NEW HAMPSHIRE	0%	NO	NO
NEW JERSEY	7%	YES	YES
NEW MEXICO	0%	YES	YES
NEW YORK	4%	YES	YES
NORTH CAROLINA	0%	YES	YES
NORTH DAKOTA	0% (motor vehicles) 3% (new mobile homes) 5% (boats and off-road vehicles)	YES	YES

EXHIBIT B (page 3, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	SALES TAX RATE	IS CREDIT ALLOWED BY FLORIDA FOR TAX PAID IN OTHER STATE?	IS CREDIT ALLOWED BY OTHER STATE FOR TAX PAID IN FLORIDA?
OHIO	5.5%	YES	YES
OKLAHOMA	0%	YES	NO
OREGON	0%	NO	NO
PENNSYLVANIA	6%	YES	YES
RHODE ISLAND	7%	YES	YES
SOUTH CAROLINA	5% (not to exceed \$300)	YES	YES
SOUTH DAKOTA	0%	YES	NO
TENNESSEE	7% 3.5% (on mobile homes)	YES	YES
TEXAS	6.25%	YES	YES
UTAH	<u>4.70%</u>	YES	YES
VERMONT	6%	YES	YES
VIRGINIA	3% (\$35 minimum)	YES	YES (A VA. resident who purchases a vehicle in FL. will receive credit for the tax paid to FL., but will owe additional tax to VA. on the amount of the trade in.)
WASHINGTON	6.8%	YES	YES
WEST VIRGINIA	<u>5%</u>	YES (when the sale was made through a W.VA. motor vehicle dealer).	NO
WISCONSIN	5%	YES	YES
WYOMING	4%	YES	YES

EXHIBIT B (page 4, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

**THIS TABLE PROVIDES ADDITIONAL INFORMATION REGARDING THE TAXATION OF
MOTOR VEHICLES BY STATE:**

NOTE: Credit is allowed for a like tax paid on a motor vehicle in another state including local taxes; i.e., county and/or city, as long as the tax is legally imposed on the sale of the motor vehicle. For example, a local property or ad valorem tax imposed on a vehicle would not be a like tax for Florida's credit provisions.

STATE	ADDITIONAL COMMENTS
Alabama	Tax calculated on sales price of new or used motor vehicle, less credit for trade-in. Boats without motors are taxed at 4 %. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Alaska	Local taxes authorized.
Arizona	Tax calculated on sales price of new or used motor vehicle, less credit for trade-in. Occasional or isolated sales ARE exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Arkansas	Sales tax imposed on motor vehicles with a taxable purchase price of \$2500.00 or greater. Credit for trade-in allowed. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
California	Tax calculated on sales price of new and used vehicles. No credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Colorado	Tax calculated on sales price of new or used motor vehicle, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Connecticut	Tax calculated on sales price of motor vehicle, less credit for trade-in when purchased from a licensed motor vehicle dealer. Occasional or isolated sales are NOT exempt. Commercial trucks, truck tractors, tractors, semi-trailers and <u>motor</u> vehicles used in combination therewith are exempt if the gross <u>vehicle</u> weight rating is in excess of 26,000 pounds <u>or</u> the vehicle is used exclusively in interstate commerce. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Delaware	<u>A motor vehicle document fee of 3.75% is imposed effective 10/1/08.</u> Fee calculated on sales price of new or used motor vehicle, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
District of Columbia	A motor vehicle excise tax is imposed. No credit for trade-in; 6% of fair market value of new & used 3,499 lbs. or less, 7% on fair market value of new & used 3,500 lbs. or more. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Florida	Tax calculated on sales price of new or used motor vehicle, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>

EXHIBIT B (page 6, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	ADDITIONAL COMMENTS
Iowa	<p><u>Effective July 1, 2008, the sale or lease of a vehicle that is subject to registration is exempt from Iowa sales tax. However, these vehicles are subject to a one time registration fee of 5% of the sales or lease price of the vehicle. The registration fee is calculated on the sales price of new or used motor vehicle, less credit for trade-in.</u> Occasional or isolated sales are NOT exempt. Trucks, trailers and semi-trailers registered for a gross weight of 13 tons or more and are used in interstate commerce are exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Kansas	<p>Tax calculated on sales price of new or used motor vehicle, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Kentucky	<p>There is a 6% motor vehicle usage tax on the total sales price. If it is a new vehicle, no credit for trade-in is allowed. If it is a used vehicle, credit for trade-in is allowed, if the trade-in was previously registered in Kentucky. The tax is based on the total sales price, provided the buyer and seller complete a notarized affidavit attesting to the total consideration.</p>
	<p>NOTE: Mobile homes, trailers and boats are subject to 6% sales tax. Credit is allowed by Florida on mobile homes, trailers and boats. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Louisiana	<p>Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Trucks and trailers over 26,000 lbs. used 80% of the time in interstate commerce are exempt. Occasional or isolated sales are NOT exempt. Local taxes authorized. New mobile homes are taxed at 4% of 46% of the purchase price. Used mobile homes are exempt whether sold by a dealer or an individual. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Maine	<p>Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Maryland	<p>A motor vehicle excise tax of 6% on fair market value <u>(for a new or used vehicle from a motor vehicle dealer, fair market value equals the purchase price of the vehicle as certified by the dealer) – less credit for trade-in.</u> Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Massachusetts	<p>Tax calculated on sales price of new or used motor vehicles. Credit for trade-in allowed when motor vehicle traded in to a registered dealer. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>
Michigan	<p>Tax calculated on sales price of new or used motor vehicles. No credit for trade-in. Occasional or isolated sales are NOT exempt. Concrete mixing trucks used for industrial purposes are exempt. Commercial trucks with 2 axles and GVW in excess of 10,000 lbs. or a power unit having 3 or more axles are exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u></p>

EXHIBIT B (page 7, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	ADDITIONAL COMMENTS
Minnesota	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Used vehicles that are 10 years old or older are taxed at a flat \$10.00. Occasional or isolated sales are NOT exempt. Local taxes authorized. Ambulances owned and operated by local governments are exempt. Ready mix concrete trucks are exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Mississippi	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional, <u>casual or isolated</u> sales are NOT exempt. Transfers of motor vehicles 10 or more years after the date of manufacture are exempt from tax. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Missouri	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Montana	Motor vehicle tax calculated on manufacturer's F.O.B. factory list price - new only. Used motor vehicles: no sales tax, but a 2% local property tax based on average trade-in value from N.A.D.A. Blue Book. No credit for trade-in. Occasional or isolated sales ARE exempt. Local taxes authorized.
Nebraska	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales of motor vehicles between individuals are NOT exempt. Local taxes of 0.5%, 1.0%, or 1.5% authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Nevada	<u>Tax calculated on sales price of new or used motor vehicles, less credit for trade-in.</u> Occasional or isolated sales ARE exempt (effective 01/01/06). Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
New Hampshire	No state sales tax; local permit fee.
New Jersey	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Only commercial vehicles over 26,000 lbs., 18,000 lbs. for farm vehicles or operated pursuant to ICC permit are not taxable. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
New Mexico	A 3 % motor vehicle excise tax is imposed on new and used vehicles on sales price less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
New York	State sales tax plus applicable local tax. Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>

EXHIBIT B (page 8, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	ADDITIONAL COMMENTS
North Carolina	Motor vehicles are subject to a 3% highway use tax. Tax is calculated on sales price of new or used motor vehicles, less credit for trade-in. \$1,000 maximum tax applies only to vehicles with a gross vehicle weight of over 26,001 lbs. Recreational vehicles are subject to a maximum tax of \$1,500, unless the recreational vehicle is over 26,001 lbs., which is subject to \$1,000 maximum tax. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
North Dakota	A motor vehicle excise tax of 5% is imposed on the sales price of new and used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel ARE exempt when the resident military member is stationed outside North Dakota.</u>
	NOTE: New mobile homes are subject to 3% sales tax; used mobile homes are not taxed; boats and off-road vehicles are subject to 5% sales tax.
Ohio	Tax is calculated on sales price of new or used motor vehicles. Credit for trade-in allowed only when the motor vehicle is traded to a new motor vehicle dealer for a new motor vehicle. Occasional or isolated sales are NOT exempt. Local taxes authorized. Credit for trade-in allowed on new or used watercraft when another watercraft is given in trade and the seller is registered with the Ohio Department of Natural Resources. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Oklahoma	A 3.25% excise tax is imposed on new motor vehicles on the purchase price. The excise tax on used vehicles is \$20.00 on first \$1,500.00 of purchase price plus 3.25% of remainder. No credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Oregon	No state sales tax; registration fee in lieu of taxes. Fee is by weight for truckers.
Pennsylvania	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Rhode Island	Tax calculated on sales price of new or used motor vehicles. Trade-in credit allowance on automobiles only. Occasional or isolated sales are NOT exempt. Boats are not subject to tax. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
South Carolina	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in (maximum \$300). Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
South Dakota	A 3% excise tax is calculated on the sales price of new and used motor vehicles with a credit allowed for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>

EXHIBIT B (page 9, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

STATE	ADDITIONAL COMMENTS
Tennessee	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. Mobile homes are taxed at 3.5%. Sales of trucks with maximum gross vehicle weight of 20,000 lbs. or more to common carriers holding common or contract authority by the federal government or other state regulatory agency for use in interstate commerce are exempt. <u>Sales of motor vehicles to qualified military personnel ARE exempt.</u>
Texas	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Utah	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Vermont	Credit allowed for trade-in. Occasional or isolated sales <u>ARE</u> exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Virginia	\$35 minimum. No credit for trade-in. (A Virginia resident who purchases a vehicle in Florida will receive credit for the tax paid to Florida, but will owe additional tax to Virginia on the amount of the trade-in.) Occasional or isolated sales are NOT exempt. <u>Trucks, tractor trucks, trailers, or semi-trailers with a gross vehicle weight rating of 26,001 lbs. or more are exempt. Sales of motor vehicles to resident military personnel are not exempt.</u>
Washington	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
West Virginia	<u>Tax is imposed on the sales price of new and used motor vehicles, when sold by a vehicle dealer.</u> Vehicles not purchased from a registered dealer are taxed on the current NADA loan value. Credit allowed for trade-in only if the vehicle being traded-in has been previously titled in West Virginia in the name of owner who is applying for title. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Wisconsin	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. Local taxes authorized. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>
Wyoming	Tax calculated on sales price of new or used motor vehicles, less credit for trade-in. Occasional or isolated sales are NOT exempt. <u>Sales of motor vehicles to resident military personnel are not exempt.</u>

EXHIBIT B (page 10, cont.)
SALES TAX RATES AND TAX CREDIT APPLICATION

U. S. TERRITORIES

The full amount of Florida sales tax is imposed on the sale price of each motor vehicle to be exported to territories or foreign countries, when the motor vehicle is delivered to the purchaser or his representative in this state. Tax does not apply if the motor vehicle is irrevocably committed to the exportation process at the time of sale, and such process is continuous and unbroken.

American Samoa
Virgin Islands The six percent (6%) Florida use tax will apply and be due on motor vehicles imported or caused to be imported from the territories of American Samoa and the Virgin Islands for use, consumption, distribution or storage to be used or consumed in this state. However, it shall be presumed that motor vehicles used in these territories for 6 months or longer before being imported into this state were not purchased for use in this state.

Guam
Puerto Rico The six percent (6%) Florida use tax will apply and be due on motor vehicles imported or caused to be imported from the territories of Guam and Puerto Rico for use, consumption, distribution or storage to be used or consumed in this state within 6 months from the date of purchase. The Florida use tax does not apply if a like tax equal to or greater than the amount levied by Florida law has been lawfully imposed and paid in those territories. However, it shall be presumed that a motor vehicle used in those territories for 6 months or longer before being imported into this state was not purchased for use in this state.

FOREIGN COUNTRIES

Tax shall apply and be due on any aircraft, vessel, mobile home, motor vehicle or other vehicle imported or caused to be imported from a foreign country into this state for use, consumption, distribution or storage to be used or consumed in this state. It does not matter if the aircraft, vessel, mobile home, motor vehicle or other vehicle was used in another country for a period of 6 months or more prior to the time it is brought into this state. Furthermore, tax paid in another country will not be recognized by the state of Florida when calculating the tax due.

The tax is calculated on the fair market value of the motor vehicle at the time it is brought into the state, not on the original purchase price.

EXHIBIT C

FREQUENTLY ASKED QUESTIONS AND ANSWERS

1. Q. If a lienholder has released the title to add a name that is not on the original loan and is not being added to the loan, is sales tax due? (Example: Title is in the mother's name with an existing lien and lienholder releases the title to add the daughter's name, but the daughter's name is not being added to the loan.)

A. In order to have an application of sales tax, there first must be a sale of tangible property. Under the definition of the term "sale" in section 212.02(15) (a), Florida Statutes, a sale must involve the transfer of title or possession, or both, of tangible property for a consideration. Therefore, unless the daughter has paid or will pay consideration to the mother in the form of money, property, services, or other things of value to have her name added on the title, there is no consideration and, hence, no "sale" by statutory definition. Since there is no "sale," sales tax is not required.

2. Q. If a name is being added to a title and the loan, is sales tax due?

If the new party is being added to the loan with only joint liability, then the tax would be measured on one half of the outstanding balance of the underlying note at the time of the transfer, plus the amount of any cash or the equivalent paid in exchange for the transfer.

Joint Liability means the party being added is only responsible for their proportionate share of the outstanding liability. If there are 2 parties involved, the new party being added will be assuming 1/2 of the outstanding liability and tax would be due on that amount.

If the new party is being added to the note with joint and several liability, then the tax would be measured on the full outstanding balance of the underlying note at the time of the transfer, plus the amount of any cash or the equivalent paid in exchange for the transfer.

Joint and several liability means all parties are 100% liable for the outstanding liability. The party being added would owe tax on the full amount of the liability.

3. Q. A customer is given a motor vehicle, **mobile home or vessel** as a gift. They borrow money using the motor vehicle, **mobile home or vessel** as collateral and proceed to process the title transfer into their name, recording the lien. Is sales tax due?

A. If the donor (seller) is also the lender (lienholder), the transaction is viewed as a sale and sales tax is due. However, if the donor (seller) of the motor vehicle, **mobile home or vessel** is not the lender (lienholder), then the "gift" is not viewed as a sale and sales tax would not be required.

4. Q. If a **motor** vehicle, **mobile home or vessel** was purchased (more than 6 months ago) in another state and never titled or registered in the customer's name, would the customer pay sales tax on the purchase price or the fair market value?

A. If the customer has evidence of the purchase price of the **motor** vehicle **or vessel**, sales tax would be due on the purchase price. However, if the taxpayer does not provide evidence of the purchase price, sales tax would be due on the fair market value of the motor vehicle **or vessel**.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

5. Q. If a **motor** vehicle/**vessel** is **purchased and** driven, **or shipped** to Florida from a foreign country by a Florida resident, is the resident subject to a Florida title and sales or use tax?
- A. Yes.
- If the foreign title is signed over for transfer to the Florida resident, sales tax would be due on the purchase price.
 - If the foreign title being submitted is already in the Florida resident's name, a use tax would be due on the value of the **motor** vehicle/**vessel** at the time of application for title in this state. A credit is not allowed for any taxes paid to a foreign country.
6. Q. If a **motor** vehicle or **vessel** is driven, **or shipped** to Florida from a foreign country by a non-resident person, does the non-resident have to take title while here in Florida and pay a use tax before selling the **motor** vehicle or **vessel**?
- A. No. However, the Florida resident purchasing the **motor** vehicle **or vessel** from the foreign resident would pay sales tax on the purchase price.
7. Q. If a Florida resident is given a **motor** vehicle **or vessel** as a gift (by a resident from a foreign country) or trades even for the **motor** vehicle/**vessel** is a use tax due?
- A. Yes. A use tax would be due on the **fair market** value of the **motor** vehicle **or vessel**.
8. Q. If an individual brings a **motor** vehicle **or vessel** in from out of the country and trades it to a Florida dealer, is sales or use tax due?
- A. No.
9. Q. If an individual transfers a certificate of title to add the name of his/her (sole proprietor) taxi cab company to the title, is sales tax due?
- A. No. Even though the **motor** vehicle **or vessel** will be used as a taxi, sales tax would not be due. This type of transaction is not a true transfer of ownership, as only the individual's business name is being added to his/her title.
10. Q. When a motor vehicle, mobile home or vessel is purchased in the state of Florida with a service warranty, is the service warranty taxable? (See Exhibit A for the definition of service warranty.)
- A. Yes, sales tax is due. However, the \$5,000 limitation for discretionary sales surtax does not apply to the service warranty.
11. Q. When a motor vehicle, mobile home or vessel is purchased in another state (and is being titled in Florida) with a service warranty, should sales/use tax be collected on the service warranty? (See Exhibit A for the definition of service warranty.)
- A. No.
12. Q. Does a church, synagogue, etc. have to file with the Department of Revenue (DOR) to be exempt from sales tax?
- A. Yes. The applicable entity must obtain a "Consumer's Certificate of Exemption" from DOR in order to claim the exemption. **If a non-exempt entity is included as the purchaser, the exempt entity would not be exempt from payment of sales tax.**

EXHIBIT C (page 3, cont.)

13. Q. If an out of state resident purchases a motor vehicle in Florida and needs a Florida temporary license plate to drive the **motor** vehicle back to their home state (which is not reciprocal with Florida), what is the amount of sales tax that should be collected?
- A. The amount of sales tax due would be equivalent to the sales tax in the purchaser's state of residence (see Exhibit B), even if that state is not reciprocal with Florida. However, the amount of sales tax collected from the out of state resident must NOT exceed Florida's state sales tax of six (6) percent, even if the **motor** vehicle was purchased from a Florida county with a discretionary sales surtax.
- It should be pointed out to the customer there is not a reciprocal agreement between their home state and Florida. Therefore, they would be required to pay the taxes again in their state, if their state does not allow credit for taxes paid to another state.
14. Q. If a purchaser receives a motor vehicle, mobile home **or vessel** as an even trade from the seller for labor, a horse, etc; would the purchaser be exempt from sales tax?
- A. No, **sales tax would be due on the fair market value of the motor vehicle, mobile home or vessel.** The even trade item(s) must be another **motor** vehicle, mobile home **or vessel**.
15. Q. When a **motor** vehicle is purchased, can a party purchasing a **motor** vehicle from a dealer use, as credit, a trade-in **motor** vehicle owned by a third party?
- A. There is no provision in Section 212.02(J6) or Section 212.09, Florida Statutes, which requires that a motor vehicle accepted in trade on the purchase of another new or used motor vehicle, has to be titled in the name **of the** party making the purchase. Therefore, a third party may offer its vehicle as a trade-in on the purchase of a **motor** vehicle by another related or unrelated party, so long as the purchase and trade-in are structured as a single transaction. In order for the purchase and trade-in to be considered a single transaction, the third party owning the vehicle being offered as a trade-in must assign the title directly to the motor vehicle dealer making the sale, and such **motor** vehicle must be identified on the sales contract as the trade-in **motor** vehicle.
- 16. Q. If a military personnel purchases a motor vehicle in another country while assigned there and now brings the motor vehicle back into the state, will sales tax be applicable?**
- A. Yes. Sales tax will be collected on the fair market value of the motor vehicle.**
- 17. Q. Are all transfers between husband and wife exempt?**
- A. Yes, the transfer of title between husband and wife of marital property is exempt. This is true even if there is an outstanding lien. This exemption does not extend to other members of the family, unless the transfer is a gift.**
- 18. Q. Can a sales tax exemption allowance be given for a leased motor vehicle that was traded in by the lessee towards the purchase of a non-leased motor vehicle?**
- A. No, because the lessee is not the actual owner of the motor vehicle that was being traded in.**

EXHIBIT D

**Affidavit for U.S. Military Service Personnel (Currently Stationed Outside of Florida)
Claiming an Exemption from Florida Sales Tax**

I _____, am a military member who has purchased the
(Name of Military member)
motor vehicle/vessel listed below in _____ while stationed outside of Florida:
(State)

(Year) (Make of Vehicle/Vessel) Vehicle/Vessel identification Number)

I am attesting to the following:

- I am a resident of the state of Florida.
- I am currently residing outside of Florida pursuant to military orders.
- The vehicle/vessel will be held outside of Florida for longer than 6 months.
- I will not bring the vehicle/vessel into the state of Florida within 6 months from the date of purchase, even for temporary reasons.
- I recognize that I owe tax to the state in which the motor vehicle was purchased, unless a specific exemption applies.
- I do not intend to avoid sales or use tax in any state by registering the vehicle/vessel in Florida.

(Signature of Military Member)

Sworn to (or affirmed) and subscribed before me this _____ day of _____, 20 _____, by

(Print or Type Name of the Person Making the above Statement)

(Print, Type or Stamp Commissioned Name of Notary)

(SEAL)

(Signature of Notary)

Personally Known _____
or, Produced Identification _____
Type of Identification Produced: _____