



December 27, 2013

Automotive Industry Center for Excellence, LLC
Attn: S. Allen Monello, D.P.A.
1497 Main Street, Suite 344
Dunedin, FL 34698

Re: Letter of Technical Advice 13A-1464
Motor Vehicles – Title Transfer
Florida Sales and Use Tax
Sections 212.02, 212.09, Florida Statutes (F.S.)
Rule 12A-1.007, Florida Administrative Code (F.A.C.)

Dear Mr. Monello:

Pursuant to Rule 12-11.003, F.A.C., taxpayers may seek informal written technical advice from the Department of Revenue. This advice is issued in the form of a Letter of Technical Advice (LTA). This LTA is being issued in response to your written request for informal guidance received on October 30, 2013, regarding the matter described below. Please note that this LTA constitutes the opinion of the writer only and does not represent the official position of the Department.

You stated in your letter that you seek information related to the third-party trade-in of a motor vehicle. Specifically, you seek guidance regarding whether a motor vehicle may be provided by four types of entities (corporation, tax-exempt organization, estate, or a trust) as part of a third-party trade-in.

Rule 12A-1.007(1)(a), F.A.C., provides that the sale of a motor vehicle is taxable on the full sales price without any deduction for freight, handling, delivery, commission, repossessions, advertising, future free service, or any other expense or cost whatsoever. However, s. 212.02(16), F.S., states that trade-ins allowed and taken at the time of sale by a vehicle dealer are not included within the taxable sales price. Section 212.09, F.S., states that for trade-ins, the tax is levied on the sales price of the article purchased less the credit for the used article taken in trade.

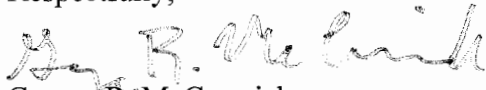
Regarding third-party trade-ins, there is no requirement in the previously cited statute and rule provisions that a motor vehicle accepted in trade on the purchase of another motor vehicle must be titled in the name of the party making the purchase. In other words, nothing prohibits a dealer from accepting a trade-in provided by a third party other than the purchaser. Accordingly, a dealer may accept a trade-in vehicle that is titled in the name of a third party, as long as the trade-in and the vehicle purchase are part of a single transaction. *See* Rule 12A- 1.007(1)(b), F.A.C.

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 vehicle must be identified on the sales contract as the trade-in vehicle.

As noted in the first paragraph of this letter, this LTA is being issued in response to the disclosed facts and circumstances of your specific situation, and it does not constitute the official position of the Department. Rather, this letter represents the opinion of the writer only. If you wish an official binding statement, you may file a written request for a Technical Assistance Advisement. Rule Chapter 12-11, F.A.C., outlines the procedure to follow in making this request. This rule chapter of the Florida Administrative Code can be found at <https://revenue.law.state.fl.us/>. Any request for a Technical Assistance Advisement should be sent to Technical Assistance and Dispute Resolution, Department of Revenue, P.O. Box 7443, Tallahassee, Florida, 32314-7443.

If you have any further questions with regard to this matter, you may contact me at (850) 717-7105.

Respectfully,



George R. McCormick

Senior Attorney

Technical Assistance and Dispute Resolution

Record ID: 155516