

TIP #16A01-24**DATE ISSUED: December 28, 2016**

Motor Vehicle Sales Tax Rates by State as of January 1, 2017

Motor Vehicles Sold in Florida to Residents of Another State

Florida law allows a partial sales and use tax exemption for a motor vehicle purchased by a resident of another state. The tax imposed is the amount of state sales tax that would be imposed by the purchaser's home state if the vehicle were purchased in that state; however, the tax imposed must not exceed the Florida 6% tax rate. The tax collected is Florida tax and must be paid to the Florida Department of Revenue.

The nonresident purchaser is required to complete Form DR-123, *Affidavit for Partial Exemption of Motor Vehicle Sold for Licensing in Another State*, declaring the intent to license the vehicle in his or her home state within 45 days of the date of purchase. The completed Form DR-123 is provided to the selling dealer or, if purchased from an individual, to the tax collector or private tag agent when purchasing a temporary tag for the vehicle. If the nonresident purchaser licenses the motor vehicle in his or her home state within 45 days from the date of purchase, there is no requirement that the motor vehicle be removed from Florida.

The attached chart contains information from each state regarding the rate of Florida tax to be imposed under this provision. The chart also includes information about whether credit for a trade-in is permitted by the home state for use in calculating tax due. For motor vehicle sales to residents of U.S. territories - American Samoa, Guam, Marianas, Puerto Rico, or the U.S. Virgin Islands - please contact the Department.

The partial exemption for a motor vehicle sold in Florida to a nonresident purchaser **does not** apply to a nonresident corporation or partnership when:

- An officer of the corporation is a Florida resident; or
- A stockholder who owns at least 10 percent of the corporation is a Florida resident; or
- A partner who has at least a 10 percent ownership in the partnership is a Florida resident.

However, the partial exemption may be allowed for corporations or partnerships if the vehicle is removed from Florida within 45 days after purchase and remains outside Florida for a minimum of 180 days, regardless of the residency of the owners or stockholders of the purchasing entity.

Currently, **Arkansas, Mississippi, and West Virginia** impose a sales tax on motor vehicles, but **do not** allow a credit for taxes paid to Florida. Delaware imposes a fee on the purchase price of motor vehicles, but **does not** allow a credit for taxes paid to Florida. Residents of these states should be informed that when a vehicle is purchased in Florida sales tax must be paid to Florida at the rate imposed by their home state and must also be paid to their home state when the vehicle is licensed there.

Motor Vehicles Purchased in Another State and Brought into Florida

Florida's use tax rate of 6% generally applies to motor vehicles purchased in another state, District of Columbia, or U.S. territory and subsequently titled, registered, or licensed in Florida.

Florida law allows a tax credit on motor vehicles brought into Florida when a like tax has been lawfully imposed and paid in another state, District of Columbia, or U.S. territory. Credit against Florida's use tax

and any discretionary sales surtax is given for a like tax paid in another state, whether the tax has been paid to that state, or a county or city (local taxes) within it. If the amount paid is equal to or greater than the amount imposed by Florida, additional tax is not due. If the amount is less than the amount imposed by Florida, only the difference between the two is due.

Any motor vehicle used in another state, District of Columbia, or U.S. territory for six months or longer before being brought into Florida is presumed to be purchased for use outside Florida. When the vehicle owner provides documentation establishing that the vehicle was used outside Florida for six months or longer before being registered in Florida, no Florida use tax is due.

Use the information provided in the attached chart to determine if Florida allows a credit for a like tax paid in another state.

References: Sections 212.06(7) and 212.06(8)(a) and 212.08(10), 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.

For forms and other information, visit our website at www.floridarevenue.com or call Taxpayer Services at 800-352-3671, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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STATE	Sales Tax Rate	Credit allowed by Florida for tax paid in another state	Exemption for occasional or isolated sales	Comments
ALABAMA	2%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in when sold through a dealer.
ALASKA	None	NO		
ARIZONA	5.6%	YES	YES	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.

ARKANSAS	6.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle with a taxable purchase price of \$4,000 or greater, less credit for trade-in.
CALIFORNIA	7.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle. No credit for trade-in. Transfers to certain revocable trusts and non-dealer transfers between family members are exempt.
COLORADO	2.9%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
CONNECTICUT	6.35% (general) 7.75%(for motor vehicles with a sales price that exceeds \$50,000) 4.5%(for motor vehicles sold to members of the armed forces on full-time active duty in CT, but not CT residents)	YES	NO	Tax is calculated on the sales price of a motor vehicle, less credit for trade-in when purchased from a licensed motor vehicle dealer. Certain commercial trucks, truck tractors, tractors, semi-trailers, and vehicles used in combination and motor buses are exempt.
DELAWARE	4.25% (\$8 minimum)	YES, for the motor vehicle document fee paid	NO	Tax is calculated on the greater of the purchase price or the NADA book value. A trade-in credit is allowed against the purchase price of a new vehicle when a Delaware-titled vehicle is traded in.
DISTRICT OF COLUMBIA	None	NO	NO	
GEORGIA	None, for most motor vehicles that are titled in Georgia 4% for non-titled motor vehicles	YES, on certain motor vehicles, such as pull-behind trailers and pull-behind campers NO credit is allowed against the Title Ad Valorem Tax Fee	YES	Tax is calculated on the sales price of non-titled motor vehicles, such as trailers and pull-behind campers. The Georgia Ad Valorem Tax Fee is imposed on new or used motor vehicles.
HAWAII	4%	YES	YES	Tax is calculated on the sales price of a motor vehicle, less credit for trade-in.
IDAHO	6%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in when sold through a dealer. Sales of motor vehicles with a maximum gross registered weight rating over 26,000 lbs. that are registered under the International Registration Plan and used as part of a fleet with over 10% of miles outside Idaho are exempt. .

ILLINOIS	6.25%	YES	NO, tax is determined by the purchase price or fair market value of the vehicle and the age of the vehicle (See Table A and Table B)	<p>Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.</p> <p style="text-align: center;">Table A <i>Vehicles purchased for less than \$15,000:</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Vehicle Age in Years</th> <th style="text-align: right;">Tax</th> </tr> </thead> <tbody> <tr><td>1 year or newer</td><td style="text-align: right;">\$390</td></tr> <tr><td>2 years or newer</td><td style="text-align: right;">\$290</td></tr> <tr><td>3 years or newer</td><td style="text-align: right;">\$215</td></tr> <tr><td>4 years or newer</td><td style="text-align: right;">\$165</td></tr> <tr><td>5 years or newer</td><td style="text-align: right;">\$115</td></tr> <tr><td>6 years or newer</td><td style="text-align: right;">\$ 90</td></tr> <tr><td>7 years or newer</td><td style="text-align: right;">\$ 80</td></tr> <tr><td>8 years or newer</td><td style="text-align: right;">\$ 65</td></tr> <tr><td>9 years or newer</td><td style="text-align: right;">\$ 50</td></tr> <tr><td>10 years or newer</td><td style="text-align: right;">\$ 40</td></tr> <tr><td>11 years or older</td><td style="text-align: right;">\$ 25</td></tr> </tbody> </table> <p style="text-align: center;">Table B <i>Vehicles purchased for \$15,000 or more:</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Purchase Price</th> <th style="text-align: right;">Tax</th> </tr> </thead> <tbody> <tr><td>\$15,000 to \$19,999</td><td style="text-align: right;">\$ 750</td></tr> <tr><td>\$20,000 to \$24,000</td><td style="text-align: right;">\$1,000</td></tr> <tr><td>\$25,000 to \$29,000</td><td style="text-align: right;">\$1,250</td></tr> <tr><td>\$30,000 or more</td><td style="text-align: right;">\$1,500</td></tr> </tbody> </table>	Vehicle Age in Years	Tax	1 year or newer	\$390	2 years or newer	\$290	3 years or newer	\$215	4 years or newer	\$165	5 years or newer	\$115	6 years or newer	\$ 90	7 years or newer	\$ 80	8 years or newer	\$ 65	9 years or newer	\$ 50	10 years or newer	\$ 40	11 years or older	\$ 25	Purchase Price	Tax	\$15,000 to \$19,999	\$ 750	\$20,000 to \$24,000	\$1,000	\$25,000 to \$29,000	\$1,250	\$30,000 or more	\$1,500
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INDIANA	7%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		
IOWA	5%	YES, for the one-time registration fee paid	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		
KANSAS	6.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		
KENTUCKY	6%	YES	YES	Tax is calculated on the sales price of a used motor vehicle, less credit for trade-in when the sales price is not less than 50% of the difference between the trade-in value of the used motor vehicle and the vehicle that was traded in.																																		
LOUISIANA	5%	YES	NO	<p>Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.</p> <p>Trucks and trailers over 26,000 lbs. used 80% of the time in interstate commerce are exempt.</p>																																		
MAINE	5.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		
MARYLAND	6% (Minimum tax due on \$640)	Yes, for motor vehicle excise tax paid	NO	<p>Tax is calculated on the sales price of a new or used motor vehicle. No credit is allowed for the value of a trade-in.</p> <p>On vehicles seven years or older, tax is calculated on the greater of the purchase price or \$640.</p>																																		
MASSACHUSETTS	6.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in when sold through a dealer.																																		
MICHIGAN	6%	YES	NO	<p>Tax is calculated on the sales price of a new or used motor vehicle, less eligible credit for any trade-in. Effective January 1, 2017, a trade-in credit of the lesser of \$3,000 or the agreed upon value of the trade-in is allowed. The maximum allowable credit increases by \$500 per year until January 1, 2039, when the limit will be removed and credit will be given for the full agreed-upon value of the trade-in vehicle. Trade-in credit is only available for sales; it does not apply to leases.</p> <p>Concrete mixing trucks used to mix and agitate materials at a plant or job site in the concrete manufacturing process are exempt.</p>																																		

				Commercial trucks with 2 axles and a gross vehicle weight rating of 10,000 lbs. or a commercial motor vehicle power unit having 3 or more axles are exempt when purchased by an interstate motor carrier.
MINNESOTA	6.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. Used vehicles that are 10 years old or older with a sales price under \$3,000 are taxed at \$10. Ambulances owned and operated by local governments and ready mix concrete trucks are exempt. .
MISSISSIPPI	5% – motor vehicles and light trucks 10,000 lbs. or less; 3% – semi-trailers and trucks over 10,000 lbs.; 7% – motorcycles	YES	Yes - limited to trailers and to motor vehicles sold 10 or more years after the date of manufacture	Tax is calculated on the sales price of new or used motor vehicles, less credit for trade-in.
MISSOURI	4.225%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in at the time of titling.
MONTANA	None	NO		
NEBRASKA	5.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
NEVADA	6.85%	YES	YES	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
NEW HAMPSHIRE	None	NO		
NEW JERSEY	7%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. Commercial vehicles with a gross vehicle weight rating greater than 26,000 lbs. operated actively and exclusively in interstate commerce and registered farm vehicle with a gross vehicle weight rating greater than 18,000 lbs. are exempt.
NEW MEXICO	3%	YES, for the motor vehicle excise tax paid	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. For non-dealer sales, tax is calculated on the greater of the purchase price of 80% of the NADA average trade-in or wholesale value.
NEW YORK	4%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
NORTH CAROLINA	3%	YES, for the highway use tax paid	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. \$2,000 maximum tax for commercial motor vehicles and for recreational vehicles.
NORTH DAKOTA	5%	YES, for the motor vehicle excise tax paid	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. If acquired by other means, tax is calculated on the fair market value of the vehicle.
OHIO	5.75%	YES	NO	Tax is calculated on the sales price of new or used motor vehicles. Credit for a trade-in is allowed only when the motor vehicle is traded with a new motor vehicle dealer for a new motor vehicle.

OKLAHOMA	New Vehicle - 3% Used Vehicle - \$20 of 1st \$1,500, plus 3.25% remainder	YES, for the motor vehicle excise tax paid	NO	Tax is calculated on the sales price of a new or used motor vehicle. No credit is allowed for the value of a trade-in.
OREGON	None	NO		
PENNSYLVANIA	6%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
RHODE ISLAND	7%	YES	NO	Tax is calculated on the sales price of new or used motor vehicles. Trade-in credit allowed on automobiles and motor homes only.
SOUTH CAROLINA	5%, \$300 maximum	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
SOUTH DAKOTA	4%	YES, for the motor vehicle excise tax paid	NO	Tax is calculated on the sales price of a new or used motor vehicle. No credit is allowed for the value of a trade-in. Motor vehicles 11 or more model years old and sold for \$2,200 or less (before trade-in) are exempt.
TENNESSEE	7% Plus 2.75% single article state rate for vehicles priced greater than \$1,600 and less than \$3,200	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. Sales of trucks with a gross vehicle weight rating greater than 20,000 lbs. to common carriers holding common or contract authority by the federal government or other state regulatory agency for use in interstate commerce are exempt.
TEXAS	6.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. Used vehicles that are not purchased from a licensed vehicle dealer are subject to tax on the higher of the purchase price or standard presumptive value.
UTAH	4.7%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
VERMONT	6%	YES	NO	Tax is calculated on the purchase price or the average trade-in value, whichever is greater, less credit for trade-in.
VIRGINIA	4.15% (\$75 minimum)	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle. No credit for trade-in. Trucks, tractor trucks, trailers, or semi-trailers with a gross vehicle weight rating of 26,001 lbs. or more are exempt.)
WASHINGTON	6.8%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in of a motor vehicle. Trade-in credit cannot exceed the sales price.
WEST VIRGINIA	5% – on motor vehicles over \$500; \$25 – on motor vehicles less than \$500	YES, when the sale is made through a motor vehicle dealer	NO	Tax is imposed on the sales price of new and used motor vehicles when sold by a vehicle dealer and the vehicle traded in was previously titled in West Virginia in the name of the purchaser.

WISCONSIN	5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
WYOMING	4%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.