



5050 West Tennessee Street, Tallahassee, FL 32399

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QUESTION: Whether the sales of stickers, which are affixed by automobile dealers to automobiles for sale and are used as informational labels, are subject to Florida sales and use tax.

ANSWER: The sales of stickers, which are affixed by automobile dealers to automobiles for sale and are used as informational labels, are not subject Florida sales and use tax.

June 20, 2023

[REDACTED]

Re: Technical Assistance Advisement – TAA #: 23A-014
[REDACTED]. (“Taxpayer”)
Sales and Use Tax – Labels and Tags
Sections 212.02(14)(c), 212.05, and 212.055, Florida Statutes (“F.S.”)
Rule 2A-1.040, Florida Administrative Code (“F.A.C.”)
BP#: [REDACTED]

Dear [REDACTED],

This is in response to your letter dated April 26, 2023, requesting this Department’s issuance of a Technical Assistance Advisement (“TAA”) pursuant to Section(s.) 213.22, F.S., and Rule Chapter 12-11 F.A.C, Florida Administrative Code, regarding the matter discussed below. Your request has been carefully examined, and the Department finds it to be in compliance with the requisite criteria set forth in Chapter 12-11, F.A.C. This response to your request constitutes a TAA and is issued to you under the authority of s. 213.22, F.S.

REQUESTED ADVISEMENT

Whether the sales of stickers, which are affixed by automobile dealers to automobiles for sale and are used as informational labels, are subject Florida sales and use tax.

FACTS

Taxpayer, via its [REDACTED] subsidiary, is engaged in the sale of stickers to auto dealers. The stickers are affixed to automobiles to be sold. The sticker is discarded when the automobile is sold, and the dealer collects sales tax on the sale of the automobile. The cost of the sticker is passed along to the consumer in the form of the purchase price. Taxpayer believes that the sticker is not taxable,

as it is an informational label sold to auto dealers. Taxpayer states that the label meets the federal requirements for labels used in the sales of cars. Additionally, the label is sometimes required to comply with certain federal regulations, such as the Federal Trade Commission's Used Car Rule.

Taxpayer provided a picture of the blank label, which it buys, and the printed label, which it sells to automobile dealers. Additionally, a sample invoice was provided.

LAW AND DISCUSSION

Unless a specific exemption applies, s. 212.05, F.S., provides it is the legislative intent that every person is exercising a taxable privilege that engages in the business of selling tangible personal property¹ in this state. For exercising such a privilege, a tax is levied on each taxable transaction or incident. The tax is due and payable at the rate of 6 percent, plus any applicable surtaxes imposed under s. 212.055, F.S., on the total consideration received for each item or article of tangible personal property when sold at retail in this state.

However, s. 212.02(14)(c), F.S., provides that retail sales "do not include materials, containers, labels, sacks, bags, or similar items intended to accompany a product sold to a customer without which delivery of the product would be impracticable because of the character of the contents and be used one time only for packaging tangible personal property for sale"

Rule 12A-1.040, F.A.C., clarifies s. 212.02(14)(c), F.S., and provides the following in part:

(5) Labels, tags, and instructional materials.

(a)1. Labels, tags, and name plates, including the printing of these items, are not subject to tax when they remain affixed to tangible personal property offered for sale or affixed to the container containing tangible personal property prepared for shipment or delivery and:

- a. Furnishes information as to the nature, quantity, maker, price, size, operation, or maintenance of the tangible personal property for sale; or
- b. Furnishes information as to the destination or the carrying instructions for the package during shipment.

Based on the above, the sale of stickers which are affixed to automobiles to be sold is not subject to Florida sales and use tax.

CONCLUSION

The sales of stickers, which are affixed by automobile dealers to automobiles for sale and are used as informational labels, are not subject Florida sales and use tax. See s. 212.02(14)(c), F.S., and Rule 12A-

¹ Tangible personal property means and includes personal property which may be seen, weighed, measured, or touched or is in any manner perceptible to the senses. See s. 212.02(19), F.S.

1.040, F.A.C.

This response constitutes a TAA under s. 213.22, F.S., which is binding on the Department only under the facts and circumstances described in the request for this advice, as specified in s. 213.22, F.S. Our response is predicated on those facts and the specific situation summarized above. You are advised that subsequent statutory or administrative rule changes, or judicial interpretations of the statutes or rules, upon which this advice is based, may subject similar future transactions to a different treatment than expressed in this response.

You are further advised that this response, your request and related backup documents are public records under Chapter 119, F.S., and are subject to disclosure to the public under the conditions of s. 213.22, F.S. Confidential information must be deleted before public disclosure. In an effort to protect confidentiality, we request you provide the undersigned with an edited copy of your request for TAA, the backup material and this response, deleting names, addresses and any other details which might lead to identification of the Taxpayer. Your response should be received by the Department within ten (10) days of the date of this letter.

If you have any further questions with regard to this matter and wish to discuss them, you may contact me directly at (850)717-6839.

Sincerely,

Xiaoxi Miao

Xiaoxi Miao
Tax Law Specialist
Technical Assistance & Dispute Resolution
(850)717-6839

Record ID: 7000981046

TADR Satisfaction Survey

The Florida Department of Revenue invites you to complete the online TADR Satisfaction Survey to help us identify ways to improve our service to taxpayers. The survey is an opportunity to provide feedback on your recent experience with the Department's office of Technical Assistance and Dispute Resolution (TADR). To access the survey, place the following address in your browser's access bar:

<https://tadr.questionpro.com>

When you open the survey, you'll be asked to enter the following information. This information will enable you to complete and submit the survey.

Notification number: 7000981046

Respondent code: 44

Tax type: Sales and Use Tax

Correspondence type: Technical Assistance

If you need technical assistance accessing the survey, please email Douglas Charity at douglas.charity@floridarevenue.com.

Thank you.