

Florida Department of Revenue
Tax Information Publication

TIP 02A01-08

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**Partial Exemption for a Motor Vehicle Sold in Florida
To A Nonresident Corporation/Partnership**

Current Law

Current Florida law grants a partial exemption to a nonresident purchaser who buys a motor vehicle in Florida. The nonresident buyer must pay Florida sales tax in an amount equal to any sales tax that would be imposed by the nonresident's home state, as long as the amount paid does not exceed Florida's 6 percent rate. The nonresident purchaser is required to execute an Affidavit for Partial Exemption of Motor Vehicle Sold for Licensing in Another State (Form DR-123).

New Law Limits This Exemption

Beginning July 1, 2002, 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;
- * A stockholder who owns a 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.

The partial exemption will continue to apply if the vehicle is removed from Florida within 45 days after purchase and remains outside this state for a minimum of 180 days regardless of the residency of the owners or stockholders of the purchasing entity.

References: Section 212.08(10), Florida Statutes; Section 20 of CS/SB 426; Chapter 2002-218, Laws of Florida

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 Internet site at myflorida.com/dor. Or call Taxpayer Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 (Florida only), or 850-488-6800.

Hearing- or speech-impaired persons should call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.

To receive a fax copy of a form, call 850-922-3676 from your fax machine telephone.