



Florida Department of Revenue
Technical Assistance and Dispute Resolution

Jim Zingale
Executive Director

5050 West Tennessee Street, Tallahassee, FL 32399

floridarevenue.com

January 17, 2024

Ted Smith, President
Florida Automobile Dealers Association
400 North Meridian Street
Tallahassee, FL 32301

members@flada.org

Re: Letter of Technical Advice
Florida Sales and Use Tax – Discounts
Florida Automobile Dealers Association (“Taxpayer”)
Section 212.02(16), Florida Statutes (F.S.)
Rule 12A-1.018, Florida Administrative Code (F.A.C.)
BP#: 863677

Dear Mr. Smith:

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 in this office on December 15, 2023, concerning the matter discussed below. Please note that this LTA constitutes the opinion of the writer only and does not represent the official position of the Department.

REQUESTED ADVISEMENT

Taxpayer is seeking clarification and guidance regarding how the application of Florida sales and use tax applies to the electric vehicle (EV) federal tax credit program when purchasing a new or used EV in Florida.

FACTS PRESENTED

From our discussions and the website, you provided, the EV federal tax credit is a tax credit offered to taxpayers who purchase qualifying EVs or plug-in hybrid vehicles. To receive the credit, certain criteria need to be met by the purchaser of a qualifying EV.

To claim the credit, two options are available. A taxpayer can file their federal income tax return and receive a tax credit when they file their federal income taxes or a taxpayer can transfer the credit to the dealership for a direct discount on the car rather than waiting until the next calendar year to claim the credit on their returns.

LAW & DISCUSSION

In part, the term “sales price” includes the full face value of any coupon used by a purchaser to reduce the price paid to a retailer for an item of tangible personal property where the retailer will be reimbursed for such coupon, in whole or in part, by the manufacturer of the item of tangible personal property or whenever it is not practicable for the retailer to determine, at the time of sale, the extent to which reimbursement for the coupon will be made. See s. 212.02(16), F.S.

To illustrate for Taxpayer’s particular situation, a tax credit issued directly by the federal government is not to be construed as a reduction in selling price by the automobile dealer; therefore, the full selling price of the vehicle is taxable.

Example: A vehicle retails for \$50,000. The customer applies a “EV credit” worth \$5,000 toward the purchase of the qualifying vehicle. The automobile dealer would collect \$45,000 and the full tax due on the \$50,000 sale from the customer. The federal government would redeem the credit from the automobile dealer for \$5,000.

CONCLUSION

The EV tax credit taken at the time of purchase of a qualifying EV would not reduce the Florida sales and use tax due on the sales price of the EV.

For more information concerning all the taxes administered by the Department of Revenue, please refer to the Department’s Internet site at: www.floridarevenue.com.

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 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 www.flrules.org. 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 regarding this matter and wish to discuss them, you may contact me directly at (850)717-6735.

Sincerely,

Alan R. Fulton

Alan R. Fulton
Revenue Program Administrator I
Technical Assistance & Dispute Resolution

Record ID: 7001147557

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: 7001147557

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.