



**QUESTION:** Should labor-only sublet charges be taxed when such charges are billed as part of a larger auto body repair invoice that also includes taxable parts?

**ANSWER:** Yes, the labor-only sublet charges should be taxed when such charges are billed as part of a larger auto body repair invoice that also includes taxable parts. The entire “sales price,” which in this case includes sublet labor charges, for an auto body repair is subject to tax when the body repair includes parts.

September 26, 2025

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

Re: Technical Assistance Advisement – TAA #: 25A-007  
[REDACTED] (“Taxpayer”)  
Sales and Use Tax – Motor Vehicle Repairs  
Sections 212.02 and 212.05, Florida Statutes - (“F.S.”)  
Rules 12A-1.006, Florida Administrative Code - (“F.A.C.”)  
BP #: [REDACTED]

Dear [REDACTED]

This is in response to your letter dated, [REDACTED], 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**

Should labor-only sublet charges be taxed when they are billed as part of a larger auto body repair invoice that also includes taxable parts?

### **Facts**

Taxpayer is an auto body repair shop in [REDACTED]. Taxpayer recently repaired a motor vehicle. Taxpayer was able to provide the labor and materials necessary for most of the repair work; however, the motor vehicle also needed its rear blind spot monitor and park assist sensors recalibrated. Because the recalibration services are not something Taxpayer was equipped to handle in-house, Taxpayer outsourced the calibration services to a company called [REDACTED] (“Mobile”). When Mobile billed Taxpayer for their services, Mobile did not charge sales tax on the invoice. When Taxpayer billed its customer for the total repair of their vehicle, Taxpayer included the calibration services (aka sublet charges) from Mobile as a taxable line item on the repair invoice.

The repair invoice Taxpayer provided for review under this advisement reflects that Taxpayer’s customer was billed for the following: parts, labor, material (paint), miscellaneous (sublet charges).

One of Taxpayer’s insurance partners recently took issue with Taxpayer charging tax on the total invoice amount for the motor vehicle repair. The insurance company believes that the calibration services should not be taxed since such charges are labor-only charges. The insurance company has requested that the calibration line items be “un-taxed” when they are billed.

### **Taxpayer’s Position**

It is Taxpayer’s position that the “sublet recalibration” charges should be taxed since those charges are being billed as part of a larger repair invoice that also includes tangible personal property (auto parts). Taxpayer states that its position is supported by the Department’s Publication GT-800010, *Sales and Use Tax – Repairs to Tangible Personal Property*, which states “when a repairer supplies any parts or materials, the total amount the repairer charges its customer for repairing the tangible personal property is taxable.” Taxpayer further asserts that this same publication also states that “repairs to tangible personal property paid for by an insurance company in settlement of a claim arising under the owner’s insurance policy are taxable.”

### **Law and Discussion**

Unless a specific exemption applies property<sup>1</sup>, ss. 212.05, and 212.06, F.S., provide it is the legislative intent that every person is exercising a taxable privilege that engages in the business of

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<sup>1</sup> The Department must point out that while taxing statutes are strictly construed against the taxing authority, statutes that grant an exemption are strictly construed against the taxpayer. See *Asphalt Pavers v. Dept. of Revenue*, 584 So.2d 55 (Fla. 1st DCA 1991), at 57 (citing the rule that exemptions from tax are strictly construed against the taxpayer, with any ambiguity resolved in favor of the administrative agency); *State ex rel. Szabo Food Services Inc. v. Dickinson*, 286 So.2d 529 (Fla. 1973) (“Exemptions to taxing statutes are special favors granted by the Legislature and are to be strictly construed against the taxpayer.”). See also, *United States Gypsum Co. v. Green*, 110 So.2d 409 (Fla. 1959) (also stating that exemptions from tax are strictly construed against the taxpayer) and *Wanda Marine Corp. v. Dep’t of Revenue*, 305 So.2d 65, 69 (Fla. 1st DCA 1975).

repairing tangible personal property<sup>2</sup> 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 sales price<sup>3</sup> charged to repair tangible personal property in this state.

Rule 12A-1.006(1)(a), F.A.C., provides that when parts are furnished by the repairer, the entire charge for adjusting, applying, installing, maintaining, remodeling, or repairing tangible personal property (e.g., motor vehicle) is taxable.

### **Conclusion**

Yes, the labor-only sublet charges should be taxed when such charges are billed as part of a larger auto body repair invoice that also includes taxable parts. The entire “sales price,” which in this case includes sublet labor charges, for an auto body repair is subject to tax when the body repair includes parts.

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.

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<sup>2</sup> 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.

<sup>3</sup> Section 212.02(16), F.S., defines the term, “sales price,” as the total amount paid for tangible personal property, including any services that are a part of the sale . . . without any deduction therefrom on account of . . . the cost of labor or service cost. . . or any other expense whatsoever. . . . “Sales price” also includes the consideration for a transaction which requires both labor and material to alter, remodel, maintain, adjust, or repair tangible personal property.

If you have any further questions with regard to this matter and wish to discuss them, you may contact me directly at (850)717-6363.

Sincerely,

*Leigh L. Ceci*

Leigh L. Ceci, MAcc  
Tax Law Specialist  
Office of Technical Assistance (850)717-6363

Record ID: 7001491975

### Office of Technical Assistance Satisfaction Survey

The Florida Department of Revenue invites you to complete the online Office of Technical Assistance 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 Office of Technical Assistance. 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: 7001491975

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](mailto:douglas.charity@floridarevenue.com).

Thank you.