

Feb 01, 1988

Re: TAA 88(AER)039

12A-1.007, F.A.C.

Title of a Motor Vehicle Being Held for Security

Dear:

Your letter of September 18, 1987 requested a technical assistance advisement on the application of the sales and use tax to the above referenced matter. This response to your request constitutes a temporary technical assistance advisement under Rule 12AER87-91, and is issued to you under the authority of s. 213.22, F.S., which expressly limits the precedential value of this response to you and then only to the specific factual situation or transaction addressed in your request.

Rule 12A-1.007(25), F.A.C. provides that:

"When an automobile is titled in this state by a Florida automobile dealer who furnishes the Motor Vehicle Division with an affidavit stating the automobile is to remain on the car lot until sold and will not be used by the firm or its representatives, it is not taxable."

Based on the provisions of this rule, the vehicle dealer could present an affidavit to the Division of Motor Vehicles on all vehicles included in the floor plan arrangement. The affidavit must state the vehicle will remain on the car lot until sold and will not be used by the firm or its representative. By having all of the vehicles titled in the name of the vehicle dealer, this should satisfy the banks' requirements. No sales tax will apply until the vehicle is sold to the ultimate user, at which time the vehicle dealer has to satisfy the loan to the bank.

Our response is effective until the earlier occurrence of the expiration of Emergency Rules for the sales tax on services,

or the effective date of Permanent Rules. You are advised that subsequent statutory and 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 and your request are public records under Chapter 119, F.S., which are subject to disclosure to the public under the conditions of s. 213.22, F.S. Your name, address, and any other details which might lead to identification of the taxpayer must be deleted by the department before disclosure. In an effort to protect confidential information, we request you notify the undersigned in writing within 15 days of any deletions you wish made to the request or this response.

Sincerely,

Frances J. Osteen
Technical Assistant

FJO/oc
Enclosure