



## Tax Information Publication

# TIP

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Date Issued:  
**January 29, 2016**

Date Revised:  
**March 22, 2016**

### Motor Vehicle Sales Tax Rates by State as of December 31, 2015

#### Motor Vehicles Sold in Florida to Residents of Another State

Section 212.08(10), Florida Statutes (F.S.), allows a partial exemption for a motor vehicle purchased by a resident of another state. The tax imposed is the amount of sales tax that would be imposed by the purchaser's home state if the vehicle were purchased in that state; however, the tax imposed must not exceed the Florida 6% tax rate. The tax collected is Florida tax and must be paid to the Florida Department of Revenue.

The nonresident purchaser is required at the time of sale to complete Form DR-123, *Affidavit for Partial Exemption of Motor Vehicle Sold for Licensing in Another State*, declaring his or her intent to license the vehicle in his or her home state within 45 days of the date of purchase. If the nonresident purchaser licenses the motor vehicle in his or her home state within 45 days from the date of purchase, there is no requirement that the motor vehicle be removed from this state.

**The rate of Florida tax to be imposed under this provision is indicated for each state in the attached chart.** Please also consult the chart to determine whether credit for a trade-in is permitted by the home state. For sales of motor vehicles to residents of U.S. territories - American Samoa, Guam, Marianas, Puerto Rico, or the U.S. Virgin Islands - contact the Department.

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; or
- A stockholder who owns at 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.

However, the partial exemption may be allowed for corporations or partnerships 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.

Currently, the states of **Arkansas, Mississippi, and West Virginia** impose a sales tax on motor vehicles, but they **DO NOT** allow a credit for taxes paid to Florida. Residents of these states should be informed that they must pay sales tax to Florida at the rate imposed by their home state when they purchase a vehicle in Florida and must also pay tax to their home state when the vehicle is licensed in their home state.

#### Motor Vehicles Purchased in Another State and Brought into Florida

Florida use tax of 6% generally applies to motor vehicles purchased in another state, territory of the U.S., or the District of Columbia, and subsequently titled, registered, or licensed in Florida.

Section 212.06(7), F.S., allows a credit to be given on motor vehicles brought into Florida where a like tax has been lawfully imposed and paid in another state, territory of the U.S., or the District of Columbia. Credit against Florida use tax and any discretionary sales surtax is given for a like tax paid in another state, whether the tax has been paid to that state, or to a county or city (local taxes) within that state. If the amount paid is equal to or greater than the amount imposed by Florida, no additional tax is due. If the amount is less than the amount imposed by Florida, only the difference between the two is due.

In addition, Section 212.06(8)(a), F.S., provides a presumption that motor vehicles used in another state, territory of the U.S., or the District of Columbia for six months or longer before being brought into Florida were not purchased for use in Florida. When documentary proof establishes such prior use no Florida tax is due.

**Use the information provided in the attached chart to determine if Florida allows a credit for a like tax paid in another state.**

**References: Sections 212.06(7), 212.06(8)(a), and 212.08(10), Florida Statutes**

#### **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 website at [www.myflorida.com/dor](http://www.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.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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STATE	Sales Tax Rate	Credit allowed by Florida for tax paid in another state	Exemption for occasional or isolated sales	Comments
ALABAMA	2%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in when sold through a dealer.
ALASKA	None	NO		
ARIZONA	5.6%	YES	YES	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
ARKANSAS	6.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle with a taxable purchase price of \$4,000 or greater, less credit for trade-in.
CALIFORNIA	7.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle. <b>No</b> credit for trade-in.  Sales to specified family members and certain revocable trusts are exempt.
COLORADO	2.9%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
CONNECTICUT	6.35% (general) 7.75% (for motor vehicles with a sales price that exceeds \$50,000) 4.5% (for motor vehicles sold to members of the armed forces on full-time active duty in CT, but not CT residents)	YES	NO	Tax is calculated on the sales price of a motor vehicle, less credit for trade-in when purchased from a licensed motor vehicle dealer.  Certain commercial trucks, truck tractors, tractors, semi-trailers, and vehicles used in combination and motor buses are exempt.
DELAWARE	None	YES, for the motor vehicle document fee paid	NO	
DISTRICT OF COLUMBIA	None	NO	NO	
GEORGIA	None, for most vehicles that are titled in Georgia 4% for non-titled motor vehicles	YES, on certain motor vehicles, such as pull-behind trailers and pull-behind campers NO credit is allowed against the Title Ad Valorem Tax Fee	YES	Tax is calculated on the sales price of non-titled motor vehicles, such as trailers and pull-behind campers.  The Georgia Ad Valorem Tax Fee is imposed on new or used motor vehicles.
HAWAII	4%	YES	YES	Tax is calculated on the sales price of a motor vehicle, less credit for trade-in.
IDAHO	6%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.  Sales of motor vehicles with a maximum gross registered weight rating over 26,000 lbs. that are registered under the International Registration Plan and used as part of a fleet with over 10% of miles outside Idaho are exempt.

STATE	Sales Tax Rate	Credit allowed by Florida for tax paid in another state	Exemption for occasional or isolated sales	Comments																																		
ILLINOIS	6.25%	YES	NO, tax is determined by the purchase price or fair market value of the vehicle and the age of the vehicle (See Table A and Table B)	<p>Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.</p> <p>Table A <u>Vehicles purchased for less than \$15,000:</u></p> <table border="1"> <thead> <tr> <th>Vehicle Age in Years</th> <th>Tax</th> </tr> </thead> <tbody> <tr><td>1 year or newer</td><td>\$390</td></tr> <tr><td>2 years or newer</td><td>\$290</td></tr> <tr><td>3 years or newer</td><td>\$215</td></tr> <tr><td>4 years or newer</td><td>\$165</td></tr> <tr><td>5 years or newer</td><td>\$115</td></tr> <tr><td>6 years or newer</td><td>\$ 90</td></tr> <tr><td>7 years or newer</td><td>\$ 80</td></tr> <tr><td>8 years or newer</td><td>\$ 65</td></tr> <tr><td>9 years or newer</td><td>\$ 50</td></tr> <tr><td>10 years or newer</td><td>\$ 40</td></tr> <tr><td>11 years or older</td><td>\$ 25</td></tr> </tbody> </table> <p>Table B <u>Vehicles purchased for \$15,000 or more:</u></p> <table border="1"> <thead> <tr> <th>Purchase Price</th> <th>Tax</th> </tr> </thead> <tbody> <tr><td>\$15,000 to \$19,999</td><td>\$ 750</td></tr> <tr><td>\$20,000 to \$24,000</td><td>\$1,000</td></tr> <tr><td>\$25,000 to \$29,000</td><td>\$1,250</td></tr> <tr><td>\$30,000 or more</td><td>\$1,500</td></tr> </tbody> </table>	Vehicle Age in Years	Tax	1 year or newer	\$390	2 years or newer	\$290	3 years or newer	\$215	4 years or newer	\$165	5 years or newer	\$115	6 years or newer	\$ 90	7 years or newer	\$ 80	8 years or newer	\$ 65	9 years or newer	\$ 50	10 years or newer	\$ 40	11 years or older	\$ 25	Purchase Price	Tax	\$15,000 to \$19,999	\$ 750	\$20,000 to \$24,000	\$1,000	\$25,000 to \$29,000	\$1,250	\$30,000 or more	\$1,500
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INDIANA	7%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		
IOWA	None	YES, for the registration fee paid	NO																																			
KANSAS	6.50%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		
KENTUCKY	6%	YES	YES	Tax is calculated on the sales price of a used motor vehicle, less credit for trade-in when the sales price is not less than 50% of the difference between the trade-in value of the used motor vehicle and the vehicle that was traded in.																																		
LOUISIANA	4%	YES	NO	<p>Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.</p> <p>Trucks and trailers over 26,000 lbs. used 80% of the time in interstate commerce are exempt.</p>																																		
MAINE	5.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.																																		

STATE	Sales Tax Rate	Credit allowed by Florida for tax paid in another state	Exemption for occasional or isolated sales	Comments
MARYLAND	None	Yes, for motor vehicle excise tax paid	NO	
MASSACHUSETTS	6.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in when sold through a dealer.
MICHIGAN	6%	YES	NO	<p>Tax is calculated on the sales price of a new or used motor vehicle, less eligible credit for any trade-in. Trade-in credit is allowed for the agreed upon value of the trade-in vehicle or \$2,000, whichever is less. Beginning <b>January 1, 2015</b>, and each year thereafter, the maximum allowable credit increases by \$500. On <b>January 1, 2039</b>, the limit will be removed and credit will be given for the full agreed upon value of the trade-in vehicle. Trade-in credit is only available for sales; it does not apply to leases.</p> <p>Concrete mixing trucks used to mix and agitate materials at a plant or job site in the concrete manufacturing process are exempt.</p> <p>Commercial trucks with 2 axles and a gross vehicle weight rate of 10,000 lbs. or a commercial motor vehicle power unit having 3 or more axles are exempt when purchased by an interstate motor carrier.</p>
MINNESOTA	6.5%	YES	NO	<p>Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.</p> <p>Used vehicles that are 10 years old or older with a sales price under \$3000 are taxed at \$10.</p> <p>Ambulances owned and operated by local governments and ready mix concrete trucks are exempt.</p>
MISSISSIPPI	5%, motor vehicles and light trucks 10,000 lbs. or less; 3%, semi-trailers and trucks over 10,000 lbs.; 7%, motorcycles	YES	NO (unless the motor vehicle being sold is 10 or more years after the date the vehicle was manufactured or the vehicle being sold is a trailer.)	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
MISSOURI	4.225%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in at the time of titling.
MONTANA	None	NO		
NEBRASKA	5.5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
NEVADA	8.15%	YES	YES	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
NEW HAMPSHIRE	None	NO		

<b>STATE</b>	<b>Sales Tax Rate</b>	<b>Credit allowed by Florida for tax paid in another state</b>	<b>Exemption for occasional or isolated sales</b>	<b>Comments</b>
<b>NEW JERSEY</b>	7%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.  Commercial vehicles with a gross vehicle weight rate in excess of 26,000 lbs. operated actively and exclusively in interstate commerce and registered farm vehicle with a gross vehicle weight rate in excess of 18,000 lbs. are exempt.
<b>NEW MEXICO</b>	None	YES, for the motor vehicle excise tax paid	NO	
<b>NEW YORK</b>	4%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
<b>NORTH CAROLINA</b>	3%	YES, for the highway use tax paid	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. \$2,000 maximum tax for commercial motor vehicles and for recreational vehicles.
<b>NORTH DAKOTA</b>	5%, on off-road vehicles	YES, for the motor vehicle excise tax paid	NO	Off-road vehicles are subject to 5% sales tax.
<b>OHIO</b>	5.75%	YES	NO	Tax is calculated on the sales price of new or used motor vehicles. Credit for a trade-in is allowed only when the motor vehicle is traded with a new motor vehicle dealer for a new motor vehicle.
<b>OKLAHOMA</b>	None	YES, for the motor vehicle excise tax paid	NO	
<b>OREGON</b>	None	NO		
<b>PENNSYLVANIA</b>	6%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
<b>RHODE ISLAND</b>	7%	YES	NO	Tax is calculated on the sales price of new or used motor vehicles. Trade-in credit allowed on automobiles and motor homes only.
<b>SOUTH CAROLINA</b>	5%, \$300 maximum	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
<b>SOUTH DAKOTA</b>	None	YES, for the motor vehicle excise tax paid	NO	
<b>TENNESSEE</b>	7%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.  Sales of trucks with a gross vehicle weight rate in excess of 20,000 lbs. to common carriers holding common or contract authority by the federal government or other state regulatory agency for use in interstate commerce are exempt.
<b>TEXAS</b>	6.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
<b>UTAH</b>	4.70%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.

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<b>VERMONT</b>	6%, purchase and use tax	YES	NO	Tax is calculated on the purchase price or the average trade-in value, whichever is greater, less credit for trade-in.
<b>VIRGINIA</b>	4.1% (July 1, 2015 – June 30, 2016) 4.15% (July 1, 2016 – \$75 minimum)	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle. No credit for trade-in.  Trucks, tractor trucks, trailers, or semi-trailers with a gross vehicle weight rating of 26,001 lbs. or more are exempt.
<b>WASHINGTON</b>	6.8%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in of a motor vehicle. Trade-in credit cannot exceed the sales price.
<b>WEST VIRGINIA</b>	5%, on motor vehicles over \$500;  \$25, on motor vehicles less than \$500	YES, when the sale is made through a motor vehicle dealer	NO	Tax is imposed on the sales price of new and used motor vehicles, when sold by a vehicle dealer, and the vehicle traded in was previously titled in West Virginia in the name of the purchaser.
<b>WISCONSIN</b>	5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
<b>WYOMING</b>	4%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.