



## Tax Information Publication

# TIP

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Date Issued:  
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July 25, 2018

### Motor Vehicle Sales Tax Rates by State as of December 31, 2017

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

Florida law allows a partial exemption of sales and use tax to be collected on a motor vehicle purchased by a resident of another state. The amount of Florida sales tax to be collected is the amount of sales tax that would be imposed by the purchaser's home state if the vehicle were purchased in that state. If the rate imposed in the purchaser's home state is greater than 6%, the rate of Florida tax to be collected is 6%. The tax collected is Florida tax and must be paid to the Florida Department of Revenue.

For the partial exemption to apply, **at the time of sale**, the nonresident purchaser is required to complete Form DR-123, *Affidavit for Partial Exemption of Motor Vehicle Sold for Licensing in Another State*, declaring the intent to license the vehicle in his or her home state within 45 days of the date of purchase. The completed Form DR-123 is provided to the selling dealer or, if purchased from an individual, to the tax collector or private tag agent when purchasing a temporary tag for the vehicle. 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 Florida.

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

Florida law does allow a credit to be given to reduce the tax due when a like tax has been lawfully imposed and paid in another state, District of Columbia, or U.S. territory. 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 tax rates is due.

Any motor vehicle used in another state, District of Columbia, or U.S. territory for six months or longer before being brought into Florida is presumed to be purchased for use outside Florida. When the vehicle owner provides documentation establishing that the vehicle was used outside Florida for six months or longer before being registered in Florida, no Florida use tax is due.

### **Rate Chart**

The attached chart contains information from each state regarding the rate of Florida tax to be imposed under this provision and 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 information in the chart may also be used to determine if Florida allows a credit for a like tax paid in another state.

**This information is provided based on the best information made available to the Florida Department of Revenue as of the date of this publication. Contact the taxing authority in the non-resident purchaser's home state to verify whether a credit of Florida sales tax paid will be allowed against any tax or fee due in the non-resident purchaser's state of residence.**

**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 the Department's website at [floridarevenue.com](http://floridarevenue.com) or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

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	7.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle. <b>No credit allowed for trade-in.</b> Transfers to certain revocable trusts and non-dealer transfers between family members 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	<ul style="list-style-type: none"> <li>6.35% General rate</li> <li>7.75% Rate for motor vehicles with a sales price over \$50,000</li> <li>4.5% Rate for motor vehicles sold to members of the armed forces on full-time active duty in CT, but not CT residents</li> </ul>	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	District of Columbia imposes an excise tax on every original certificate of title for a motor vehicle, based on class. Florida does not give credit for this excise tax.
GEORGIA	<ul style="list-style-type: none"> <li>None, for "motorized" motor vehicles that are titled in Georgia (ex: car, truck, motor cycle, RV)</li> <li>4% for "non-motorized" motor vehicles (ex: tow-behind campers and trailers)</li> </ul>	<p>YES, on "non-motorized" motor vehicles</p> <p>NO credit is allowed against the Title Ad Valorem Tax (TAVT)</p>	YES	Sales tax is calculated on the sales price of "non-motorized" motor vehicles, such as tow-behind trailers and campers. Credit is allowed in Florida for sales tax paid in Georgia on "non-motorized" 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 when sold through a dealer.  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 However, Illinois does impose a "Private Party Vehicle Use Tax." Tables A and B are used to compute tax due.	<p>Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.</p> <p>Table A <i>Vehicles purchased for less than \$15,000:</i></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 <i>Vehicles purchased for \$15,000 or more:</i></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. Trade-in credit cannot reduce the sales price of the vehicle by more than 50%, or the 50% value is used to calculate tax due.																																		
LOUISIANA	5% Effective July 1, 2018, sales tax rate decreased to 4.45% [Act 1 (HB 10) 2018 Louisiana law]	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. For occasional (casual) and isolated sales, the tax rate is calculated on the sales price of the vehicle or the clean trade-in book value of the vehicle, whichever is greater, regardless of the condition of the vehicle.
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.</p> <p><b>Effective January 1, 2018, a trade-in credit of the lesser of \$4,000 or the agreed upon value of the trade-in is allowed.</b> 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 in excess 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 10 years old or older with a sales price under \$3,000 are taxed at \$10.</p> <p>Ambulances owned and operated by local governments and ready mix concrete trucks are exempt.</p>
MISSISSIPPI	<ul style="list-style-type: none"> <li>• 5% - motor vehicles and light trucks 10,000 lbs. or less;</li> <li>• 3% - semi-trailers and trucks over 10,000 lbs.;</li> <li>• 7% - motorcycles</li> </ul>	YES	<p>YES</p> <p>Limited to trailers and motor vehicles sold 10 or more years after the date of manufacture</p>	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	6.85%	YES	YES	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
NEW HAMPSHIRE	None	NO		
NEW JERSEY	6.625%	YES	NO	Tax rate effective January 1, 2018, will be <b>6.625%</b> . Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. Commercial vehicles that: 1) have a gross weight rating greater than 26,000 lbs; <u>or</u> 2) are operated actively and exclusively for the carriage of interstate freight; <u>or</u> 3) are registered farm vehicles with a weight rating greater than 18,000 lbs are exempt.
NEW MEXICO	None	YES, for the motor vehicle excise tax paid	NO	
NEW YORK	4%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
NORTH CAROLINA	None	YES, for the highway use tax paid	NO	
NORTH DAKOTA	<ul style="list-style-type: none"> <li>• None for most motor vehicles</li> <li>• 5% on off-road vehicles only</li> </ul>	YES, for the motor vehicle excise tax paid	NO	
OHIO	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.
OKLAHOMA	1.25%	YES	NO	Tax rate effective July 1, 2017. Tax is calculated on the sales price of a new or used motor vehicle. <b><u>No credit allowed for trade-in.</u></b>
OREGON	None	NO		
PENNSYLVANIA	6%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
RHODE ISLAND	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.
SOUTH CAROLINA	5%, \$500 maximum	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
SOUTH DAKOTA	None	YES, for the motor vehicle excise tax paid	NO	
TENNESSEE	7%	YES, for the state sales tax only	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 rating greater than 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.

STATE	Sales Tax Rate	Credit allowed by Florida for tax paid in another state?	Exemption for occasional or isolated sales?	Comments
TEXAS	6.25%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in. Used vehicles that are not purchased from a licensed vehicle dealer are subject to tax on the higher of the purchase price or standard presumptive value.
UTAH	4.70%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
VERMONT	6%	YES	NO	Tax is calculated on the purchase price or the average trade-in value, whichever is greater, less credit for trade-in.
VIRGINIA	4.15% (\$75 minimum)	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle. <b>No credit allowed for trade-in.</b> Trucks, tractor trucks, trailers, or semi-trailers with a gross vehicle weight rating of 26,001 lbs or more are exempt.
WASHINGTON	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.
WEST VIRGINIA	<ul style="list-style-type: none"> <li>• 6%, on motor vehicles over \$500;</li> <li>• \$30, on motor vehicles less than \$500</li> </ul>	YES, when the sale is made through a motor vehicle dealer	NO	Tax rates effective July 1, 2017. 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.
WISCONSIN	5%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.
WYOMING	4%	YES	NO	Tax is calculated on the sales price of a new or used motor vehicle, less credit for trade-in.