

TECHNICAL ADVISORY

DIVISION OF MOTORIST SERVICES



To:	Tax Collectors, License Plate Agents, Dealers, and EFS Vendors	
Subject:	Update Regarding Implementation of Net Selling Price	
Advisory Date:	06/28/12	Immediately
Advisory Number:	R12-06	

Initially, the Department asked dealers to begin entering the Net Selling Price beginning July 1, 2012 to coincide with the Department’s legislative mandates and release. However, since this portion is not legislatively mandated and due to a few issues, we are allowing dealers additional time to start entering this information.

We appreciate many dealers and vendors moving forward to implement this item on July 1, 2012. However, we understand that some dealers need more time to print and program their printers for the revised version of form HSMV 82040 (REV. – 6/12).

Therefore, beginning July 1, 2012, the system **WILL NOT** reject those transactions where the form HSMV 82040 is missing this data. We are asking tax collector offices and license plate agencies to allow additional time for dealers to comply.

Please begin using the revised form HSMV 82040 (REV. – 6/12) beginning July 1, 2012, if possible and begin entering the sales price. Otherwise, begin using the revised form HSMV 82040 (REV. – 6/12) as soon as you have it ready. In the meantime, you may write or type the Net Selling Price in the Dealer Section 7 of form HSMV 82040.

Tax Collector offices and tag agencies are only responsible for ensuring the net selling price has been entered on form HSMV 82040. The processing clerk is not responsible for calculating the net selling price or sales tax.

The Department of Revenue provided us the attached information to share with you.

We will monitor progress and let everyone know when the EFS system will be changed making entry of the Net Selling Price a mandatory requirement. We appreciate your patience and help in this matter.

Additional Information About Calculating Net Selling Price:

The Net Selling Price is equivalent to the “taxable base” entered on Line 1A of the DR 15. Net Selling Price is the sales price of the vehicle, minus the trade value, plus the addition of any taxable items currently reported now on the DR 15 such as dealer fees, the sales of other taxable items and excluding government fees that are non-taxable.

Example:

Vehicle Base Price is \$15,000.00

Less Trade-In -\$5,000.00

Plus Dealer Fee of \$500.00

Plus Misc. Other Items of \$1,000.00 = Taxable Price of \$11,500.00. Enter this in Section 7, 3rd Box (Net Selling Price).

If the vehicle is registered in a 1% County, the 6% portion is \$690.00,

Plus the County portion on the First \$5,000.00 is \$50.00.

The Amount in Section 7, 5th Box (Amount of Tax) is \$740.00.



To: All Florida Vehicle Dealers

From: Maria Johnson, Program Director, General Tax Administration 

Date: June 25, 2012

Subject: Entry of Net Selling Price by Motor Vehicle Dealers Required

Pursuant to the attached letters, the Florida Department of Revenue has entered into an enhanced data-sharing agreement with the Department of Highway Safety and Motor Vehicles (DHSMV) to effectively ensure that all taxpayers are treated fairly and consistently when collecting taxes due on the titling of motor vehicles in Florida.

DHSMV has agreed to use its online titling systems to electronically collect the net sales price of a vehicle to assist with the administration of Florida's tax laws. The electronic information will be treated as confidential except for official purposes as outlined in 213.053, Florida Statutes.

Please use the Motor Vehicle Dealer Guide located on our website when determining how to arrive at the net sales price of a motor vehicle:

http://dorweb/gta/csp/sites/sigs/motorvehicle_internal.pdf

Attachments

February 29, 2012

Mr. James R. Evers, Program Director
General Tax Administration
Department of Revenue
5050 W Tennessee Street
Tallahassee, FL 32399-0100

Dear Mr. Evers:

Thank you for your letter of February 15, 2012, following up our recent meeting with representatives from the Department of Revenue. We appreciate the opportunity to continue our long standing working relationship to best serve Florida's residents and businesses.

We have reviewed your official requests and are pleased to let you know the Department of Highway Safety and Motor Vehicles has begun planning ways to accommodate and implement your requests. I'll address each in the same order as your letter.

- 1) This request was to enhance our Florida Real-time Vehicle Information System (FRVIS) to require the entry of the net selling price by licensed motor vehicle dealers prior to the completion of a title transaction. We have submitted a work request to require that the net selling price be required, not optional, prior to the completion of a title transaction in FRVIS.
- 2) This request was to enhance the Department's Electronic Filing System (EFS) to also require the net selling price by license motor vehicle dealers prior to the completion of a title transaction. EFS is a subsystem of FRVIS and this request was submitted for work along with item 1 above.
- 3) This request was to receive three files; casual sales, dealer sales and dealer registration information be provided to DOR on a monthly basis. This request is being made and is included in the work request above.



Executive Director
Lisa Vickers

February 15, 2012

Mr. Boyd Walden, Director
Division of Motorist Services
Department of Highway Safety and Motor Vehicles
Neil Kirkman Building
2900 Apalachee Parkway
Tallahassee, FL 32399-0500

Dear Mr. Walden:

It was a pleasure meeting you, along with Mr. Dave Conklin, Deputy Executive Director and other members of your department's leadership team during our recent meeting. The Department of Revenue and the Department of Highway Safety and Motor Vehicles (DHSMV) have a long standing tradition of working together to enhance the services we provide to the citizens and businesses of Florida.

To continue that tradition, we are requesting an enhanced data sharing agreement between our agencies to take full advantage of the progress both agencies have made in the collection of electronic data to better serve the businesses, citizens and local and state government agencies. This will allow our agencies to more effectively ensure that all taxpayers are treated in a fair and consistent manner, regardless of what type of entity handles the collection of tax due on the titling of motor vehicles in Florida.

Please accept this memorandum as an official request for the following from DHSMV:

- 1) Modify DHSMV's Florida Realtime Vehicle Information System (FRVIS) to require the entry of net selling price by licensed vehicle dealers prior to the completion of a title transaction. DOR's authority to collect and mandate this information is granted in Sections 212.06(10) and 212.19 F.S.
- 2) Modify DHSMV's Electronic Filing System (EFS) to require the entry of net selling price by licensed vehicle dealers prior to the completion of a title transaction. DOR's authority to collect and mandate this information is granted in Sections 212.06(10) and 212.19 F.S.

Child Support Enforcement – Ann Coffin, Director • General Tax Administration – Jim Evers, Director
Property Tax Oversight – James McAdams, Director • Information Services – Tony Powell, Director

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