

Sales/Use/Indirect:

Florida DOR Ruling Addresses Whether Online Marketplace Constitutes a Marketplace Provider

Technical Assistance Advisement (TAA), No. 22A-012, Fla. Dept. of Rev. (6/16/22). The Florida Department of Revenue released an administrative ruling which explains that while an online platform that facilitated retail sales by advertising participating dealers' inventory of vehicle parts on its website in exchange for a commission constituted a "marketplace" under Florida sales and use tax law, it did not constitute a "marketplace provider" required to register, collect, and remit Florida sales taxes on behalf of the dealers in these transactions [see previously issued Multistate Tax Alert for more details on Florida's remote seller and marketplace provider provisions], because based on the information provided on the transactions between the dealers and purchasers, there were no instances where the platform collected payment from the customers and transmitted all or part of the payment to the dealers.

URL: <https://floridarevenue.com/TaxLaw/Documents/22A-012.pdf>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-new-florida-requirement-to-collect-and-remit-sales-tax-for-remote-sellers-and-marketplace-providers.pdf>

Furthermore, the ruling notes that in cases where an underlying purchase was financed by a financial services company affiliated with the platform, the dealer was paid by the financial services company and the purchaser made payment directly to the financial services company; and reimbursement from the financial services company to the dealer occurred entirely outside of the online platform after the sale was completed. Please contact us with any questions.

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