

**IN THE CIRCUIT COURT OF THE
SECOND JUDICIAL CIRCUIT IN
AND FOR LEON COUNTY, FLORIDA**

AMERICAN HONDA MOTOR CO., INC.,

Plaintiff,

Case No.: 2022 CA 000222

v.

**STATE OF FLORIDA,
DEPARTMENT OF REVENUE,**

Defendant.

_____ /

DEPARTMENT OF REVENUE'S ANSWER TO COMPLAINT

Defendant, the State of Florida Department of Revenue (the "Department"), by and through the undersigned counsel, hereby answers the complaint as follows:

1. The Department admits that Plaintiff ("American Honda") does business in Florida. The Department is without sufficient knowledge to admit or deny the remaining allegations in paragraph 1, and therefore the remaining allegations are denied.

2. Admitted.

3. Admitted.

4. Admitted.

5. Admitted.

6. Admitted.

7. Admitted. Moreover, the total balance due is \$2,053,557.21 as of June 30, 2021, the date of the Department's Notice of Decision ("NOD").

8. Admitted.

9. Admitted.

10. Admitted that American Honda is contesting the entire amount of the assessment, but it is denied that it is entitled to any relief.

11. Admitted.

12. Admitted.

13. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 13, and therefore the allegations are denied.

14. Admitted.

15. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 15, and therefore the allegations are denied.

16. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 16, and therefore the allegations are denied.

17. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 17, and therefore the allegations are denied.

18. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 18, and therefore the allegations are denied.

19. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 19, and therefore the allegations are denied.

20. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 20, and therefore the allegations are denied.

21. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 21, and therefore the allegations are denied.

22. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 22, and therefore the allegations are denied.

23. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 23, and therefore the allegations are denied.

24. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 24, and therefore the allegations are denied.

25. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 25, and therefore the allegations are denied.

26. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 26, and therefore the allegations are denied.

27. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 27, and therefore the allegations are denied.

28. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 28, and therefore the allegations are denied.

29. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 29, and therefore the allegations are denied.

30. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 30, and therefore the allegations are denied.

31. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 31, and therefore the allegations are denied.

32. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 32, and therefore the allegations are denied.

33. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 33, and therefore the allegations are denied.

34. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 34, and therefore the allegations are denied.

35. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 35, and therefore the allegations are denied.

36. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 36, and therefore the allegations are denied.

37. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 37, and therefore the allegations are denied.

38. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 38, and therefore the allegations are denied.

39. Denied. The Department is without sufficient knowledge to admit or deny the allegations in paragraph 39, and therefore the allegations are denied.

ANSWER COUNT I

40. The Department's answers contained in paragraphs 1 through 39 are incorporated by reference.

41. It is admitted that Florida imposes corporate income tax on American Honda's taxable income. The remainder of paragraph 41 is denied because it is an incomplete and inaccurate representation of Florida Statutes.

42. Denied. Section 220.03(1)(r), Florida Statutes, speaks for itself and the Department denies that American Honda's representation is complete, accurate or relevant. In this action, American Honda is contesting Florida's assessment of corporate income tax imposed on business income on the sale of GHG and CAFE credits from its fuel-efficient fleet of vehicles.

43. Denied. American Honda's sale of GHG and CAFE credits is business income and is not "nonbusiness income." The remainder of paragraph 43 is denied because the paragraph is an incomplete and incorrect representation of Florida Statutes and Florida Administrative Code.

44. Denied. Florida Statutes speaks for themselves, and the Department denies that American Honda's representation is complete or accurate.

45. Denied. American Honda's sale of GHG and CAFE credits is business income and is taxable in Florida.

46. The Department denies that American Honda's sale of its GHG and CAFE credits is non-business income. The Department is without sufficient knowledge to admit or deny the remaining allegations in paragraph 46, and therefore the allegations are denied.

47. The Department denies that American Honda's sale of its GHG and CAFE credits is non-business income. The Department is without sufficient knowledge to admit or deny the remaining allegations in paragraph 47, and therefore the allegations are denied.

48. Denied. The Department's assessment is lawful, valid, and correct. The sum assessed, plus accrued interest, is owed by American Honda. Moreover, paragraph 48 is denied because it is an incorrect representation of Florida Statutes and the United States Constitution.

49. Denied. The Department's assessment is lawful, valid, and correct. The sum assessed, plus accrued interest, is owed by American Honda.

ANSWER COUNT II

50. The Department's answers contained in paragraphs 1 through 49 are incorporated by reference.

51. The Due Process Clause of the United States Constitution speaks for itself.

52. The Due Process Clause of the United States Constitution speaks for itself, and the Department denies that American Honda's characterization is accurate or complete.

53. The Due Process Clause of the United States Constitution and the cases cited in paragraph 53 speak for themselves and the Department denies that American Honda's representations are accurate or complete.

54. The Due Process Clause of the United States Constitution and the cases cited in paragraph 54 speak for themselves and the Department denies that American Honda's representations are accurate or complete.

55. Denied. American Honda's GHG and CAFE credits stem from its sale of fleets of fuel-efficient vehicles, many of which are sold in Florida. The sale of its credits is business income, a portion of which is attributable to Florida. The Department denies that American Honda's representations of facts and case law are accurate or complete.

56. Denied. American Honda's GHG and CAFE credits stem from its sale of fleets of fuel-efficient vehicles, many of which are sold in Florida. The sale of its credits is business income, a portion of which is attributable to Florida. The Department denies that American Honda's representations of facts and case law are accurate or complete.

57. Denied. The case cited in paragraph 57 speaks for itself and the Department denies that American Honda's characterization is accurate or complete.

58. Denied. The Department's assessment is lawful, valid, and correct. The sum assessed, plus accrued interest, is owed by American Honda.

59. The complaint's prayer for relief and all allegations not otherwise specifically addressed herein are denied.

WHEREFORE, Defendant Jim Zingale, the Executive Director of the State of Florida Department of Revenue, requests entry of judgment in his favor, an award of costs, and such other relief as deemed appropriate.

Respectfully submitted,

ASHLEY MOODY
ATTORNEY GENERAL

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 11th day of April 2022 a true and correct copy of the foregoing has been furnished via the Florida Courts E-Filing Portal to the parties designated on the Service List set forth below.

/s/ Randi E. Dincher
RANDI E. DINCHER

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