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

AMERICAN HONDA MOTOR CO., INC.

Plaintiff,

v. Case No. 2022 CA 000222

STATE OF FLORIDA,
DEPARTMENT OF REVENUE,
a state agency,

Defendant
_____/

COMPLAINT

Plaintiff, American Honda Motor Co, Inc. ("American Honda"), by and through its undersigned counsel and pursuant to Chapter 72, Florida Statutes, sues Defendant, the State of Florida Department of Revenue ("Department"), for cancellation of an illegal and invalid assessment of corporate income tax and interest, and alleges:

Parties

1. American Honda is a corporation duly organized and existing under and by virtue of the laws of the State of California. American Honda is qualified to do business, and is doing business, in the State of Florida.

2. The Department is an executive branch agency of the State of Florida lawfully created and organized pursuant to Section 20.21, Florida Statutes. The Department is responsible for regulating, controlling, and fairly administering the revenue laws of the State of Florida, including the laws relating to the imposition and collection of corporate income tax under Chapter

220, Florida Statutes. Section 213.05, Fla. Stat. The Department is the proper party defendant in this action. Section 72.031(1), Fla. Stat.

Jurisdiction and Venue

3. The Court has jurisdiction over this case, which is authorized by Chapter 72, Florida Statutes. Section 72.011(1)(a), Fla. Stat.

4. Venue for this case is proper in this Court. Section 72.011(4)(a), Fla. Stat.

5. American Honda's Florida corporate income tax returns were audited by the Department for tax years ended March 31, 2015 through March 31, 2017 (collectively, the "Audit Period").

6. The Department issued a Notice of Proposed Assessment on June 29, 2020, and American Honda timely protested the Department's proposed assessment of additional tax of $3,085,598.13 and $999,224.19 of interest.

7. The Department subsequently withdrew part of the assessment and issued a Notice of Decision on June 30, 2021, with a revised assessment of $1,466,968 of tax and $470,339 of interest.

8. The Department's assessment became final on December 10, 2021, the date of the Department's Notice of Reconsideration ("NOR") sustaining its proposed assessment for the Audit Period. A true and correct copy of the NOR is attached hereto as Exhibit "A."

9. This action is timely filed. Section 72.011(2)(a), Fla. Stat.

10. By this action, American Honda contests the entire amount of the Department's assessment and, further, denies that any amount of the assessment is lawfully owed.

11. Prior to filing this Complaint, American Honda obtained from the Department a written waiver of the financial security requirements in Section 72.011(3)(b), Florida Statutes. A true and correct copy of the Department's waiver letter is attached hereto as Exhibit "B."

12. American Honda has exhausted all legally required administrative remedies and has otherwise satisfied all prerequisites legally necessary for filing this action.

13. The following allegations are true and correct, and were true and correct at all times material to the assessments and refund claims that form the basis of this action.

Background Allegations

14. American Honda distributes Honda and Acura products (collectively, "Honda" products) in the United States, including automobiles, trucks, motorcycles, ATVs, and other equipment, parts, and accessories.

15. American Honda buys Honda products exclusively from related companies, all of which are owned, directly or indirectly, by its Japanese parent company, and resells them to third-party dealers and other retailers.

16. The United States regulates automobile and light truck manufacturers to conserve natural resources and reduce pollution. Fuel economy has been regulated under the National Highway and Transportation Safety Administration's ("NHTSA's") Corporate Average Fuel Economy ("CAFE") standards since the 1978 model year. The CAFE standards prescribe fuel economy requirements for various sizes of automobiles and light trucks.

17. Under the Obama Administration, the Environmental Protection Agency ("EPA") began regulating greenhouse gas ("GHG") emissions under the authority of the Clean Air Act. The

NHTSA and EPA developed a joint program to improve fuel economy and reduce GHG emissions (the "National Program"). *See* 75 Fed. Reg. 25324 (May 7, 2010).

18. Because GHG emissions (principally carbon dioxide) are closely correlated with fuel consumption, the National Program coordinates compliance standards between the EPA's GHG regulations and NHTSA's CAFE regulations. *See* 75 Fed. Reg. at 25327. The National Program specifies GHG emissions standards and fuel economy standards for automakers based on the characteristics of the automakers' fleets of vehicles manufactured in each model year. *See* 75 Fed. Reg. at 25330-32. Rules under the National Program essentially regulate the average fuel economy and average GHG emissions for an automaker's fleet of vehicles in a given model year. The National Program requires that automakers' fleets become more fuel-efficient and have less of a GHG pollution impact over time. *See* 75 Fed. Reg. at 25330-32.

19. Under the National Program, automakers that sell fleets that are more fuel-efficient than applicable CAFE standards receive credits ("CAFE Credits"), which are computed based on the average fuel economy of the car and truck fleets manufactured or sold by the automaker in the model year, and which can be either traded to other automakers or used to offset performance deficits in the future. *See* 49 U.S.C. § 32903.

20. Trading of CAFE Credits began with the 2011 model year and was authorized by the Energy Independence and Security Act of 2007, 121 Stat. 1492. *See* 49 U.S.C. 32903(f). Automakers selling fleets that do not meet applicable CAFE fuel economy standards may obtain CAFE Credits from other automakers in order to satisfy National Program CAFE requirements. If an automaker's fleet does not meet its CAFE targets and does not purchase or obtain CAFE Credits from another automaker to offset the deficit, the automaker must pay a civil penalty of at least

$5.00 per tenth of a mile-per-gallon that the fleet falls below CAFE targets, multiplied by the total volume of vehicles in that fleet. *See* 49 U.S.C. § 32912.

21. Under the National Program, automakers that sell fleets of certain types of vehicles that are less polluting than applicable EPA GHG standards receive credits ("GHG Credits," and, together with CAFE Credits, "Credits"), which can be either sold or traded to other automakers or used to offset performance deficits in the future. *See* 40 CFR § 86.1865-12.

22. Automakers selling fleets that do not meet applicable GHG pollution standards can purchase or obtain GHG Credits from other automakers to satisfy National Program GHG requirements. *See* 40 CFR § 86.1865-12(k)(8)(i). The Clean Air Act does not authorize civil penalties in lieu of compliance, and the penalties for missing GHG targets without obtaining replacement GHG Credits are substantial. The current EPA's GHG enforcement tools include penalties up to $37,000 per-car and injunctive relief. As a consequence, a manufacturer will almost always seek to obtain GHG Credits for use in making up a GHG target shortfall.

23. American Honda did not request the federal government to authorize the trading of Credits as part of the National Program but, as one of the major automotive companies in America, was an involved stakeholder in the negotiation of the National Program to ensure that the rules were feasible and fair toward all automakers. There is substantial uncertainty about how the CAFE and GHG regulations will be implemented in the future.

24. American Honda, as the United States distributor of Honda vehicles, is required to comply with the CAFE and GHG regulations, as they apply to the fleet of Honda vehicles manufactured by members of its combined group and distributed through American Honda. American Honda's existing business plans already included environmental leadership producing

high-efficiency, low-emissions vehicles, and, therefore, it did not need to change its business plans to comply with the National Program during the Audit Period.

25. Under the National Program, American Honda received Credits from the NHTSA and EPA in every year prior to the Audit Period as a result of its mandatory regulatory filings for the CAFE and GHG programs because the vehicle fleets sold by American Honda were more fuel-efficient and less polluting than applicable CAFE and GHG standards. Because its fleet of vehicles continued to exceed applicable CAFE and GHG standards, American Honda had no need to use Credits for its own compliance with the National Program during the Audit Period.

26. American Honda did not manage its business with a goal of generating income from exceeding CAFE and GHG standards.

27. Under its business plan, American Honda would have conducted the same environmentally-conscious product development in reduced emissions and increased fuel economy regardless of whether Credits were awarded for performing better than applicable GHG and CAFE standards or whether such Credits could be sold.

28. Up to and including the Audit Period, American Honda handled compliance with GHG, CAFE, and other regulations through its Product Regulatory Office in Torrance, California.

29. Each automaker's Credits position is posted publicly; using this public information, an automaker interested in acquiring Credits can contact automakers that may be interested in selling Credits.

30. American Honda did not solicit Credits buyers during or before the Audit Period. During and before the Audit Period, Credit sales were handled by the Product Regulatory Office in California on an ad hoc basis in response to buyer inquiries.

31. During and before the Audit Period, a sale of Credits typically involved a buyer reaching out to the Assistant Vice President, Environment & Energy Strategy (the "Assistant VP"). The Assistant VP's principal role, including during the Audit Period, was to be the face of American Honda to the EPA, NHTSA, and other regulatory agencies. The secondary role is to support the launch of electric, fuel cell, and hybrid vehicles. Managing Credit sales is only an ancillary part of these roles.

32. Credits transactions were conducted by the Assistant VP along with support from one to two other staff members. Credits transactions and management took up only about five (5%) percent of the working time of the personnel responsible for these activities.

33. American Honda Corporate Counsel provided legal review of Credits purchase agreements, but the Assistant VP acted autonomously in negotiating and implementing Credit sales.

34. If a potential buyer and the Assistant VP could negotiate agreeable terms, the parties would enter into a Credit Purchase Agreement, which would include either a commitment or an option to purchase Credits. Once a Credit Purchase Agreement was in place, the Assistant VP for American Honda would implement the Credit transaction(s) in conformity with the agreement. Transfers of Credits to other automakers are effectuated by communicating with the relevant administrative agency (*i.e.*, EPA or NHTSA).

35. The EPA and the NHTSA maintain central ledgers of automakers' GHG and CAFE Credits, respectively, and they will transfer Credits from one manufacturer to another upon request of the manufacturer holding the Credits.

36. American Honda has never treated Credit sales as part of its core business. Credit sales are unpredictable because of the uncertainty of pricing and the needs of other automakers, as

well as potential changes to CAFE and GHG standards. Accordingly, American Honda did not budget for Credit sales income, except for income from agreements already in place, nor did it set targets or expectations for Credit sales during or before the Audit Period.

37. American Honda did not market Credits during or before the Audit Period.

38. American Honda did not make Credit sales a part of its business strategy.

39. Credit sales proceeds were not reinvested in American Honda's regular business. The proceeds from the sales of Credits were subject to American Honda's ordinary cash management policies, and eventually they were included in American Honda's dividends to its Japanese parent company for the Audit Period.

COUNT I
(SECTION 220.03 - NONBUSINESS INCOME)

40. The allegations contained in paragraphs 1 through 39 above are incorporated herein by reference.

41. Florida's corporate income tax is imposed on a taxpayer's net income for the taxable year. Section 220.11(2)(a), Fla. Stat. A taxpayer's net income is its adjusted federal income apportioned to Florida, plus nonbusiness income allocated to Florida, less an exemption amount. Section 220.12, Fla. Stat. A taxpayer's "adjusted federal income" means a taxpayer's federal taxable income subject to certain Florida-specific modifications, including **the subtraction of "any amount of nonbusiness income included therein.**" Section 220.13(1)(b).4., Fla. Stat. (emphasis added).

42. The statute defines "nonbusiness income" as follows:

> [R]ents and royalties from real or tangible personal property, **capital gains**, interest, dividends, and patent and copyright royalties, **to the extent that they do not arise from transactions and activities in the regular course of the taxpayer's trade**

> **or business**. The term "nonbusiness income" does not include income from tangible and intangible property **if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations, or any amounts which could be included in apportionable income without violating the due process clause of the United States Constitution**. For purposes of this definition, "income" means gross receipts less all expenses directly or indirectly attributable thereto. Functionally related dividends are presumed to be business income.

Section 220.03(1)(r), Fla. Stat. (emphasis added).

43. In contrast to adjusted federal income (*i.e.*, business income) which is apportioned among the states in which the taxpayer does business, see Rule 12C-1.015(3)(a), "nonbusiness income" must be allocated to a specific jurisdiction based on the type of income at issue. § 220.16, Fla. Stat.; Rule 12C-1.016(2), Fla. Admin. Code ("Nonbusiness income is not subject to apportionment"). For example, capital gains and losses from sales of intangible personal property are allocated to the taxpayer's state of commercial domicile. § 220.16(2)(c), Fla. Stat. Only nonbusiness income that is specifically allocated to Florida goes into the net income computation. § 220.12, Fla. Stat.

44. The clause in sec. 220.03 regarding transactions and activities in the regular course of the taxpayer's trade or business is commonly referred to as "the Transactional Test." The clause regarding income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations is commonly referred to as "the Functional Test."

45. American Honda's income from the sale of Credits is not taxable in Florida because the income meets the statutory definition of "nonbusiness income" and, as the gain from the sale of intangible personal property, is allocated to American Honda's commercial domicile outside Florida. Section 220.16(2)(c), Fla. Stat.

46. The income from the sale of Credits does not meet the Transactional test, as the income from the sale of Credits did not "arise from transactions and activities in the regular course" of American Honda's trade or business, which is designing, manufacturing, and distributing motor vehicles. American Honda took no action to acquire the Credits. It did not change its business practices, redesign its vehicles, or make any adjustment to its regular business to receive the Credits. Rather, American Honda manufactured clean and efficient vehicles because it believed those vehicles would best meet market demand. Receiving the Credits from the federal government was a windfall and not a business objective.

47. The "acquisition, management, and disposition" of the Credits does not meet the Functional test, as the Credits did not "constitute integral parts of the taxpayer's regular trade or business operations." Neither American Honda's management nor its disposition of the credits was integral to American Honda's trade or business. A few employees spent a tiny fraction (5%) of their time accounting for the Credits and negotiating their sale, and American Honda never budgeted for income from sale of the Credits or utilized any proceeds from the Credits sales in its operations.

48. Third, as discussed in greater detail in Count II, the income from the sale of Credits cannot be included in apportionable income without violating the Due Process Clause of the United States Constitution.

49. The Department's assessment of additional tax and interest against American Honda for the income from the sale of Credits during the Audit Period is unlawful and contrary to Chapter 220, Florida Statutes, and is therefore invalid.

COUNT II
(DUE PROCESS CLAUSE)

50. The allegations contained in paragraphs 1 through 49 above are incorporated herein by reference.

51. The U.S. Due Process Clause, U.S. Const. amend. XIV, § 1, provides that no state shall "deprive any person of life, liberty, or property, without due process of law...."

52. The Due Process Clause is concerned with notions of fair play and substantial justice.

53. Under the Due Process Clause, "the income attributed to the State for tax purposes must be rationally related to values connected with the taxing state." *North Carolina Dep't of Rev. v. Kimberley Rice Kaestner 1992 Fam. Trust*, 139 S. Ct. 2213, 2220 (2019). A state cannot, "when imposing an income-based tax, 'tax value earned outside its borders.'" *Container Corp. of Am. v. Franchise Tax Bd.*, 463 U.S. 159, 164 (1983) (quoting *ASARCO Inc. v. Idaho State Tax Comm'n*, 458 U.S. 307, 315 (1982)).

54. Applying these due process considerations, the U.S. Supreme Court has held that a non-domiciliary state may tax a fairly apportioned part of a corporate taxpayer's income as long as the activity producing the income is "unitary" with the taxpayer's business in the state. This concept is known as the "unitary business principle," and the Supreme Court has addressed the principle on numerous occasions, most relevantly in *Allied-Signal, Inc. v. Director, Division of Taxation*, 504 U.S. 768, 780 (1992). *See also*, *Mobil Oil Corp. v. Commissioner of Taxes of Vermont*, 445 U.S. 425 (1980).

55. Because the acquisition, management and disposition of the Credits occurs entirely outside Florida and such activities are not essential or integral parts of American Honda's regular

trade or business operations, Florida has not "given anything for which it can ask return." ASARCO, 458 U.S. at 315.

56. Florida's attempt to include the income from the sale of the Credits in apportionable income is "a mere effort to reach profits earned elsewhere under the guise of legitimate taxation." *ASARCO Inc. v. Idaho State Tax Comm'n*, 458 U.S. 307, 315 (1982) (quoting *Bass, Ratcliff & Gretton, Ltd. v. State Tax Comm'n*, 266 U.S. 271, 283 (1924)).

57. Further, as the U.S. Supreme Court has recognized "[i]ncome from whatever source, always is a 'business advantage' to a corporation. Our cases demand more." *F.W. Woolworth Co. v. Taxation & Revenue Dep't*, 458 U.S. 354, 363-64 (1982).

58. Including income from the sale of the Credits in adjusted federal income apportioned to Florida violates the U.S. Due Process Clause and is therefore invalid.

Prayer for Relief

WHEREFORE, American Honda respectfully requests the Court grant the following relief:

A. Enter Judgment determining that the Department's corporate income tax assessments are invalid in whole or in part;

B. Enter Judgement determining that American Honda's income from the sale of Credits lacks unity with its operations in Florida and is not taxable in Florida;

C. Award American Honda its costs; and

D. Provide such other and further relief as the Court deems appropriate, equitable and just.

Dated on this 8th day of February, 2022.

/s/ H. French Brown IV

H. French Brown, IV
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Attorney for Plaintiff, American Honda Motor Co., Inc.

EXHIBIT A

Florida Department of Revenue
Technical Assistance and Dispute Resolution

Jim Zingale
Executive Director

5050 West Tennessee Street, Tallahassee, FL 32399

floridarevenue.com

December 10, 2021

COPY

C/O YOUNGJEE SHIN
AMERICAN HONDA MOTOR CO INC& SUBS
1919 TORRANCE BLVD
TORRANCE CA 90501-2722

Re: Notice of Reconsideration
AMERICAN HONDA MOTOR CO INC& SUBS
BPN: 0000436013
Audit #: 200254909
Corporate Income Tax
Period: 03/31/2015 - 03/31/2017

Proposed Assessment Amount:	$	4,084,822.32
Sustained Amount:	$	1,937,307.00
Balance Due: *	$	2,099,977.71

* Includes payments and updated interest through December 07, 2021. Interest continues to accrue at $ 281.34 per day until the postmark date of payment. Daily interest is subject to change every January 1 and July1.

Dear Ms. Shin:

This is the Department's response to the petition for reconsideration postmarked July 30, 2021, filed against the referenced assessment. The petition for reconsideration, the case file, and other available information have been carefully reviewed. This reply constitutes the issuance of our Notice of Reconsideration, pursuant to the provisions of Rule 12-6.003, Florida Administrative Code (F.A.C.). It represents our position based on applicable law to the issues under protest.

ISSUE

Whether the gross proceeds Taxpayer received from the sale of its environmental credits constitutes nonbusiness income pursuant to Section 220.03(1)(r), F.S.

FACTS

Tax years March 31, 2015, through March 31, 2017, were audited by the Department. The Notice of Proposed Assessment ("NOPA") was issued on June 29, 2020. Additional tax of $3,085,598.13, and interest of $999,224.19 were assessed. Taxpayer filed a timely protest on June 17, 2021.

A Notice of Decision ("NOD") was issued on June 30, 2021. Based on the facts presented in Taxpayer's protest, the Department withdrew the corporate income tax assessed on the audit adjustment to excluded intercompany sales from the sales factor. The NOD revised the assessment to $1,466,968 in tax and $470,339 in interest through the NOPA date. The portion of the audit assessment related to the reclassification of the income received from the sale of environmental credits as business income was sustained.

Taxpayer filed a request for reconsideration on July 31, 2021.

TAXPAYER ARGUMENT

In its petition for reconsideration dated July 29, 2021, Taxpayer argues that the State cannot tax the income from the sale of an asset (environmental credits), if that asset is not an integral and essential part of the taxpayer's regular business. Taxpayer provided additional facts regarding the receipt and sale of the credits. Additionally, Taxpayer provided further explanations of its argument and an affidavit from Jenny Gilger, Vice President in the Product Regulatory Office, attesting to the additional facts.

LAW

Section 220.03(1)(r), F.S., states:

> (r) "Nonbusiness income" means rents and royalties from real or tangible personal property, capital gains, interest, dividends, and patent and copyright royalties, to the extent that they do not arise from transactions and activities in the regular course of the taxpayer's trade or business. The term "nonbusiness income" does not include income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations, or any amounts which could be included in apportionable income without violating the due process clause of the United States Constitution. For purposes of this definition, "income" means gross receipts less all expenses directly or indirectly attributable thereto. Functionally related dividends are presumed to be business income.

DISCUSSION

While more detailed information was provided, no new information was presented that contradicts the known facts and circumstances of this issue. The Department maintains its original position as presented in the NOD.

It is clear that the income from the sale of environmental credits is from the sale of a business asset which arose from Taxpayer's business operations and is an integral part of its regular trade or business operations. Therefore, the income should be classified as business income. The assessment for this issue is sustained.

CONCLUSION

Pursuant to s. 220.03(1)(r), F.S., the income received from the sale of environmental credits does not qualify as nonbusiness income as it is apportionable income. The audit assessment for this issue is sustained.

Enclosed for your convenience is an audit remittance coupon. Payment, including interest to the postmark date of payment, should be returned in the enclosed envelope, along with the audit remittance coupon. The check should reflect the audit number.

TAXPAYER APPEAL RIGHTS

You are notified that this Notice of Reconsideration constitutes the final position of this Department, prior to court action or administrative proceeding, regarding the assessment you have protested. Pursuant to Sections 72.011(2) and 120.80(14), F.S., and Rule Chapter 12-6, F.A.C., as of the date of this Notice of Reconsideration the assessment is final for purposes of court action or administrative proceeding. Pursuant to Sections 72.011(2) and 120.80(14), F.S., and Rule Chapter 12-6, F.A.C., no court action or administrative proceeding may be brought to contest the assessment after sixty (60) days from the date of this Notice of Reconsideration.

The assessment reflected in the Notice of Reconsideration is final, and you have three alternatives for further review:

1) Pursuant to Section 72.011, F.S., and Rule Chapter 12-6, F.A.C., you may contest the assessment in circuit court by filing a complaint with the clerk of the court. THE COMPLAINT MUST BE RECEIVED BY THE CLERK OF THE CIRCUIT COURT WITHIN SIXTY (60) DAYS OF THE DATE OF THIS NOTICE OF RECONSIDERATION. Section 72.011(3), F.S., provides that no circuit court action may be brought unless you pay to the Department the amount of taxes, penalties, and accrued interest assessed by the Department that are uncontested and tender or post a bond for the remaining disputed amounts unless a waiver is granted, as provided in that section. Failure to pay the uncontested amounts will result in the dismissal of the action and imposition of an additional penalty in the amount of twenty-five percent (25%) of the tax assessed. The requirements of Chapter 72, F.S., are jurisdictional;

2) Pursuant to Sections 72.011, 120.569, 120.57, and 120.80(14), F.S., and Rule Chapter 12-6, F.A.C., you may contest the assessment in an administrative forum by filing a petition for a Chapter 120 administrative hearing with the Department of Revenue, Office of General Counsel, Post Office Box 6668, Tallahassee, FL 32314-6668. THE PETITION MUST BE RECEIVED BY THE DEPARTMENT WITHIN SIXTY (60) DAYS OF THE DATE OF THIS NOTICE OF RECONSIDERATION. The petition should conform to the requirements of the Uniform Rules promulgated pursuant to Section 120.54(5), F.S. Section 120.80(14), F.S., provides that before you file a petition under Chapter 120, F.S., you must pay to the Department the amount of taxes, penalties, and accrued interest that are not being contested. Failure to pay those amounts will result in the dismissal of the petition and imposition of an additional penalty in the amount of twenty-five percent (25%) of the tax assessed. Mediation pursuant to Section 120.573, F.S., is not available. The requirements of Section 72.011(2) and (3)(a), F.S., are jurisdictional for any action contesting an assessment or refund denial under Chapter 120, F.S.; OR

3) Pursuant to Section 120.68, F.S., you may contest the assessment in the appropriate district court of appeal by filing a Notice of Appeal meeting the requirements of Rule 9.110, Florida Rules of Appellate Procedure, with i) the Clerk of the Department of Revenue, Office of General Counsel, Post Office Box 6668, Tallahassee, FL 32314-6668 and ii) with the clerk of the appropriate district court of appeal, accompanied by the applicable filing fee. THE NOTICE OF APPEAL MUST BE FILED WITH BOTH THE DISTRICT COURT OF APPEAL AND THE DEPARTMENT OF REVENUE WITHIN THIRTY (30) DAYS OF THE DATE OF THIS NOTICE OF RECONSIDERATION.

Should you have any further questions concerning this matter, please do not hesitate to contact me.

Sincerely,

Susan Coxwell

Susan Coxwell
Tax Conferee
Technical Assistance & Dispute Resolution
(850)717-6478

Enclosure: Audit Remittance Coupon
Cc: Clark R Calhoun, Alston & Bird, LLP, 1201 W. Peachtree Street NE Ste 4900, Atlanta, GA 30309

NOTICE UNDER THE AMERICANS WITH DISABILITIES ACT

Persons needing an accommodation to participate in any proceeding before the Technical Assistance and Dispute Resolution Office should contact that office at 850-617-8346, or you may also call via the Florida Relay System at 800-955-8770, at least five working days before such proceeding.

FLORIDA

EXHIBIT A

Audit Remittance Coupon

DR-839
N.5//04

12/07/2021

C/O CLARK R CALHOUN
AMERICAN HONDA MOTOR CO INC& SUBS
1201 W PEACHTREE ST NE STE 4900
ATLANTA GA 30309

Business Partner: 436013
Audit Number: 200254909
Audit Period: 03/31/15-03/31/17
Tax type: Corporate Income Tax

To ensure proper credit, please detach and include the preprinted remittance coupon below when submitting payments.

If additional interest is applicable, please refer to the additional interest instructions on the enclosed correspondence.

You can pay bills online for many taxes using your credit card or the ACH-Debit method at www.myflorida.com/dor.

DR-839
N. 5//04

Detach For Processing

Audit Remittance Coupon

Service Center:
Los Angeles Service Center
Business Partner:
436013
Audit Number:
200254909

Make check or money order payable to:
Florida Department of Revenue
Technical Assistance & Dispute Resolution
Post Office Box 5800
Tallahassee, FL 32314-5800

Check Number:
Tax Type:
Corporate Income Tax
Remittance Total:

C/O CLARK R CALHOUN
AMERICAN HONDA MOTOR CO INC& SUBS
1201 W PEACHTREE ST NE STE 4900
ATLANTA GA 30309

0600 0 20170331 0002005059 6 6200254909 0000 9

EXHIBIT B

Florida Department of Revenue
Office of General Counsel

Jim Zingale
Executive Director

5050 West Tennessee Street, Tallahassee, FL 32399

floridarevenue.com

February 7, 2022

Mr. Clark R. Calhoun
Alston & Bird
One Atlantic Center
1201 West Peachtree Street
Atlanta, Georgia 30309-3424

Re: American Honda Motor Co Inc. & Subs
FEI#: 95-2041006
Bond Waiver Request
Audit# 200254909
Tax years ending 03/31/15-03/31/17
Tax Type: Corporate Income Tax

Dear Mr. Calhoun:

I am in receipt of your letter requesting a waiver of the provisions of s. 72.011(3)(b), F.S., on behalf of American Honda Motor Co Inc & Subs ("Taxpayer"). Ms. Isabel Nogues, an Assistant General Counsel with the Department, has reviewed the Taxpayer's financial statements that were provided to our office. Based on that review and Isabel's recommendation, the Department is willing to waive the requirements of s. 72.011(3)(b), F.S., with respect to an action by Taxpayer.

A copy of this letter should be attached to your complaint filed with the circuit court.

Should you have any questions, please give Isabel or me a call.

Sincerely,

Mark S. Hamilton
General Counsel