

By the Committee on Finance & Taxation and Representatives
Starks, Melvin, Brooks and Kosmas

1 A bill to be entitled
2 An act relating to intangible personal property
3 taxes; amending s. 199.023, F.S.; defining
4 "ministerial function" and "processing
5 activity" for purposes of ch. 199, F.S.;
6 amending s. 199.052, F.S.; increasing the
7 minimum amount of annual intangible personal
8 property tax which a person may be required to
9 pay; providing taxable status of intangible
10 personal property held by a trust for which a
11 bank or savings association acts as trustee or
12 as an agent other than a trustee; providing
13 responsibilities of Florida residents with a
14 beneficial interest in a trust for which a bank
15 or savings association acts as trustee;
16 providing taxable status of assets purchased
17 by, and property managed by, an investment
18 adviser under specified conditions; conforming
19 language; repealing s. 199.052(11), F.S.,
20 relating to returns filed by banking
21 organizations, to conform; amending s. 199.175,
22 F.S., relating to taxable situs; conforming
23 language; amending s. 199.185, F.S.; exempting
24 accounts receivable arising out of a trade or
25 business from intangible personal property
26 taxes and providing a schedule for implementing
27 the exemption; providing a full, rather than
28 partial, exemption from the annual tax for
29 banks and savings associations; exempting
30 insurers from the annual tax; repealing s.
31 199.185(1)(i) and (k), F.S., relating to

1 exemptions for international banking
2 transactions and real estate mortgage
3 investment conduits, to conform; repealing s.
4 199.104, F.S., which provides a credit against
5 the annual tax for banks and savings
6 associations; repealing s. 220.68, F.S., which
7 provides a credit against the franchise tax
8 imposed on banks and savings associations based
9 on intangible tax paid; amending s. 199.282,
10 F.S.; revising the penalty for late filing of
11 an annual intangible tax return; providing a
12 limitation on combined delinquency and late
13 filing penalties; revising the penalty for
14 omitting or undervaluing property on an annual
15 return; amending s. 199.292, F.S.; revising the
16 distribution of intangible tax revenues;
17 providing for transition; amending s. 220.02,
18 F.S., relating to order of credits against the
19 corporate income tax or franchise tax, ss.
20 213.053 and 213.054, F.S., relating to
21 information regarding the exemption for
22 international banking transactions, and s.
23 624.509, F.S., relating to the insurance
24 premium tax; conforming language; providing
25 application; providing effective dates.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Subsections (13) and (14) are added to
30 section 199.023, Florida Statutes, to read:

31 199.023 Definitions.--As used in this chapter:

1 (13) "Ministerial function" means an act the
2 performance of which does not involve the use of discretion or
3 judgment.

4 (14) "Processing activity" means an activity
5 undertaken to administer or service intangible personal
6 property in accordance with such terms, guidelines, criteria,
7 or directions as are provided solely by the owner of the
8 property. Methods, systems, or techniques chosen by the
9 processor to implement such terms, guidelines, criteria, or
10 directions are not considered the exercise of management or
11 control.

12 Section 2. Section 199.052, Florida Statutes, is
13 amended to read:

14 199.052 Annual tax returns; payment of annual tax.--

15 (1) An annual intangible tax return must be filed with
16 the department by every corporation authorized to do business
17 in this state or doing business in this state and by every
18 person, regardless of domicile, who on January 1 owns,
19 controls, or manages intangible personal property which has a
20 taxable situs in this state. For purposes of this chapter,
21 "control" or "manage" does not include any ministerial
22 function or any processing activity. The return shall be due
23 on June 30 of each year. It shall list separately the
24 character, description, and just valuation of all such
25 property.

26 (2) No person shall be required to pay the annual tax
27 in any year when the aggregate annual tax upon the person's
28 intangible personal property, after exemptions, would be less
29 than ~~\$60~~\$5. In such case, an annual return is not required
30 unless the taxpayer is a corporation, a banking organization
31 claiming the exemption provided in s. 199.185(1)(i), or an

1 agent or fiduciary of whom the department requires an
2 informational return. Agents and fiduciaries shall report for
3 each person for whom they hold intangible personal property if
4 the aggregate annual tax on such person is \$60 or more ~~than~~
5 ~~\$5~~.

6 (3) A corporation having no intangible tax liability,
7 and required to file an annual report pursuant to s. 607.1622,
8 is not required to file the annual intangible tax return
9 required by this section.

10 (4) A husband and wife may file a joint return with
11 regard to all intangible personal property held jointly or
12 individually by them. They shall then be jointly liable for
13 the payment of the annual tax.

14 (5) The trustee of a Florida-situs trust is primarily
15 responsible for returning the trust's intangible personal
16 property and paying the annual tax on it. The trust's
17 beneficiaries, however, may individually return their
18 equitable shares of the trust's intangible personal property
19 and pay the tax on such shares, in which case the trustee need
20 not return such property or pay such tax, although the
21 department may require the trustee to file an informational
22 return.

23 (6) Each Florida resident with a beneficial interest,
24 as defined in s. 199.023(7), in a foreign-situs trust, that
25 is, a trust with situs outside of this state, is primarily
26 responsible for returning the resident's equitable share of
27 the trust's intangible personal property and paying the annual
28 tax on it. The trustee of a foreign trust may return and pay
29 the tax on the equitable shares of all Florida residents
30 having beneficial interests, in which case the residents need
31 not return such property or pay such tax.

1 (7) The personal representative or curator of a
2 Florida estate is primarily responsible for returning the
3 estate's intangible personal property and paying the annual
4 tax on it. The heirs or devisees, however, may individually
5 return their equitable shares of the estate's intangible
6 personal property and pay the tax on such shares, in which
7 case the personal representative or curator need not return
8 such property or pay such tax, although the department may
9 require the personal representative or curator to file an
10 informational return.

11 (8) The guardian of the property of a Florida
12 incompetent shall return the incompetent's intangible personal
13 property and pay the annual tax on it. The custodian of a
14 Florida minor under a gifts to minors or similar act shall
15 return the minor's intangible personal property which is
16 subject to the custodianship and pay the annual tax on it.

17 (9) Where an agent has control or management of
18 intangible personal property, the principal is primarily
19 responsible for returning such property and paying the annual
20 tax on it, but the agent shall return such property on behalf
21 of the principal and pay the annual tax on it if the principal
22 fails to do so. The department may in any case require the
23 agent to file an informational return.

24 (10) An affiliated group of corporations may elect to
25 make a consolidated return for any year. The election shall
26 be made by timely filing a consolidated return. Once made, an
27 election may not be revoked, and it is binding for the tax
28 year. The mere making of a consolidated return shall not in
29 itself provide a business situs in this state for intangible
30 personal property held by a corporation. The fact that
31 members of an affiliated group own stock in corporations which

1 do not qualify under the stock ownership requirements as
2 members of an affiliated group shall not preclude the filing
3 of a consolidated return on behalf of the qualified members.
4 Where a consolidated return is made, intercompany accounts,
5 including the capital stock of an includable corporation,
6 other than the parent, owned by another includable
7 corporation, shall not be subject to annual taxation. However,
8 capital stock and other intercompany accounts of a
9 nonqualified member of the affiliated group shall be subject
10 to annual tax. Each consolidated return shall be accompanied
11 by documentation identifying all intercompany accounts and
12 containing such other information as the department shall
13 require. Failure to timely file a consolidated return shall
14 not prejudice the taxpayer's right to file a consolidated
15 return, provided that the failure to file a consolidated
16 return is limited to 1 year and the taxpayer's intent to file
17 a consolidated return is evidenced by the taxpayer having
18 filed a consolidated return for the 3 years prior to the year
19 the return was not timely filed.

20 (11) The return filed by each banking organization
21 shall set out the character, description, and just valuation
22 by category of all intangible personal property which is
23 issued in or arises out of international banking transactions
24 and which is owned by the banking organization.

25 (12) Securities held in margin accounts by a security
26 broker not acting as a fiduciary shall be returned, and the
27 annual tax on such securities shall be paid, by the customer
28 owning them. The security broker shall not be required to
29 return or pay the tax on such securities.

30 (13) Except as otherwise provided in this section, the
31 owner of intangible personal property is liable for the

1 payment of annual tax on it, and any other person required to
2 return such property is liable for the tax if the owner fails
3 to pay it.

4 (14) The annual intangible tax return shall include
5 language permitting a voluntary contribution of \$5 per
6 taxpayer, which contribution shall be transferred into the
7 Election Campaign Financing Trust Fund. A statement providing
8 an explanation of the purpose of the trust fund shall also be
9 included.

10 (15) If a bank or savings association, as defined by
11 s. 220.62, acts as a trustee of a trust, the bank or savings
12 association shall not be required to return and pay the annual
13 tax on intangible personal property held by the trust. If a
14 bank or savings association, as defined by s. 220.62, acts as
15 a fiduciary or agent of a trust other than as a trustee,
16 intangible personal property of the trust shall not have
17 taxable situs in this state pursuant to s. 199.175 solely by
18 virtue of the management or control of the bank or savings
19 association. For purposes of this chapter, where a bank or
20 savings association, as defined by s. 220.62, is the trustee
21 of a trust, the trust shall not be considered a Florida-situs
22 trust and each Florida resident with a beneficial interest, as
23 defined by s. 199.023(7), shall be responsible for returning
24 the resident's equitable share of the trust's intangible
25 personal property and paying the annual tax on it.

26 (16) If an investment adviser, as defined by s.
27 517.021, does not own but has discretionary authority to
28 invest moneys on behalf of a principal, the investment adviser
29 shall not be required to return and pay the annual tax on
30 intangible personal property with respect to the assets the
31 adviser purchases with such funds of the principal. If an

1 investment adviser acts as a fiduciary or an agent of a
2 principal, intangible personal property of the principal shall
3 not have taxable situs in this state pursuant to s. 199.175
4 solely by virtue of the management or control of that property
5 by the investment adviser.

6 Section 3. Effective July 1, 2000, subsection (11) of
7 section 199.052, Florida Statutes, is repealed, and subsection
8 (2) of said section, as amended by this act, is amended to
9 read:

10 199.052 Annual tax returns; payment of annual tax.--

11 (2) No person shall be required to pay the annual tax
12 in any year when the aggregate annual tax upon the person's
13 intangible personal property, after exemptions, would be less
14 than \$60. In such case, an annual return is not required
15 unless the taxpayer is a corporation, ~~a banking organization~~
16 ~~claiming the exemption provided in s. 199.185(1)(i)~~, or an
17 agent or fiduciary of whom the department requires an
18 informational return. Agents and fiduciaries shall report for
19 each person for whom they hold intangible personal property if
20 the aggregate annual tax on such person is \$60 or more.

21 Section 4. Paragraph (a) of subsection (1) and
22 paragraph (b) of subsection (2) of section 199.175, Florida
23 Statutes, are amended to read:

24 199.175 Taxable situs.--For purposes of the annual tax
25 imposed under this chapter:

26 (1) Intangible personal property shall have a taxable
27 situs in this state when it is owned, managed, or controlled
28 by any person domiciled in this state on January 1 of the tax
29 year. Such intangibles shall be subject to annual taxation
30 under this chapter, unless the person who owns, manages, or
31 controls them is specifically exempt or unless the property is

1 specifically exempt. This provision shall apply regardless of
2 where the evidence of the intangible property is kept; where
3 the intangible is created, approved, or paid; or where
4 business may be conducted from which the intangible arises.
5 The fact that a Florida corporation owns the stock of an
6 out-of-state corporation and manages and controls such
7 corporation from a location in this state shall not operate to
8 give a taxable situs in this state to the intangibles owned by
9 the out-of-state corporation, which intangibles arise out of
10 business transacted outside this state.

11 (a) For the purposes of this chapter, "any person
12 domiciled in this state" means:

13 1. Any natural person who is a legal resident of this
14 state;

15 2. Any bank or financial institution, business,
16 business trust as described in chapter 609, company,
17 corporation, ~~insurance company~~, partnership, or other
18 artificial entity organized or created under the law of this
19 state, except a trust; or

20 3. Any person, including a trust, who has established
21 a commercial domicile in this state.

22 (2) Intangible personal property shall have a taxable
23 situs in this state when it is deemed to have a business situs
24 in this state and it is owned, managed, or controlled by a
25 person transacting business in this state, even though the
26 owner may claim a domicile elsewhere. This provision shall
27 apply regardless of where the evidence of the intangible is
28 kept or where the intangible is created, approved, or paid.

29 (b) Notwithstanding the provisions of this subsection:

30 1.a. Intangibles that are credit card or charge card
31 receivables or related lines of credit or loans shall be

1 deemed to have business situs in this state only when the debt
2 represented by such intangibles is owed by a customer who is
3 domiciled in this state.

4 b. The performance of ministerial functions relating
5 to, or the processing of, credit card or charge card
6 receivables in this state for the owner of such receivables is
7 not sufficient to support a finding that the owner is
8 transacting business in this state.

9 c. The term "credit card or charge card receivables"
10 does not include trade or service receivables as defined in s.
11 864 of the Internal Revenue Code of 1986, as amended.

12 2. An intangible owned by a real estate mortgage
13 investment conduit, a real estate investment trust, or a
14 regulated investment company, as those terms are defined in
15 the United States Internal Revenue Code of 1986, as amended,
16 shall not be deemed to have a taxable situs in this state
17 unless such entity has its legal or commercial domicile in
18 this state.

19 3. The ownership of any interest in a participation or
20 syndication loan or pool of loans, notes, or receivables shall
21 not be sufficient to support a finding that the owner of such
22 interest is transacting business in this state. For the
23 purposes of this subparagraph, a participation or syndication
24 loan is a loan in which more than one lender is a creditor to
25 a common borrower, and a participation or syndication interest
26 in a pool of loans, notes, or receivables is an interest
27 acquired from the originator or initial creditor with respect
28 to the loans, notes, or receivables constituting the pool.

29 ~~4. Assets owned by a foreign insurance company, as~~
30 ~~defined in s. 624.06, shall not be deemed to have a business~~

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1 ~~situs in this state if they are managed and controlled outside~~
2 ~~this state.~~

3 Section 5. Effective July 1, 2000, paragraph (a) of
4 subsection (1) of section 199.175, Florida Statutes, as
5 amended by this act, is amended to read:

6 199.175 Taxable situs.--For purposes of the annual tax
7 imposed under this chapter:

8 (1) Intangible personal property shall have a taxable
9 situs in this state when it is owned, managed, or controlled
10 by any person domiciled in this state on January 1 of the tax
11 year. Such intangibles shall be subject to annual taxation
12 under this chapter, unless the person who owns, manages, or
13 controls them is specifically exempt or unless the property is
14 specifically exempt. This provision shall apply regardless of
15 where the evidence of the intangible property is kept; where
16 the intangible is created, approved, or paid; or where
17 business may be conducted from which the intangible arises.
18 The fact that a Florida corporation owns the stock of an
19 out-of-state corporation and manages and controls such
20 corporation from a location in this state shall not operate to
21 give a taxable situs in this state to the intangibles owned by
22 the out-of-state corporation, which intangibles arise out of
23 business transacted outside this state.

24 (a) For the purposes of this chapter, "any person
25 domiciled in this state" means:

26 1. Any natural person who is a legal resident of this
27 state;

28 2. Any ~~bank or financial institution,~~ business,
29 business trust as described in chapter 609, company,
30 corporation, partnership, or other artificial entity organized
31 or created under the law of this state, except a trust; or

1 3. Any person, including a trust, who has established
2 a commercial domicile in this state.

3 Section 6. (1) Subsections (1) and (5) of section
4 199.185, Florida Statutes, are amended, and subsection (8) is
5 added to said section, to read:

6 199.185 Property exempted from annual and nonrecurring
7 taxes.--

8 (1) The following intangible personal property shall
9 be exempt from the annual and nonrecurring taxes imposed by
10 this chapter:

11 (a) Money.

12 (b) Franchises.

13 (c) Any interest as a partner in a partnership, either
14 general or limited, other than any interest as a limited
15 partner in a limited partnership registered with the
16 Securities and Exchange Commission pursuant to the Securities
17 Act of 1933, as amended.

18 (d) Notes, bonds, and other obligations issued by the
19 State of Florida or its municipalities, counties, and other
20 taxing districts, or by the United States Government and its
21 agencies.

22 (e) Intangible personal property held in trust
23 pursuant to any stock bonus, pension, or profit-sharing plan
24 or any individual retirement account which is qualified under
25 s. 401 or s. 408 of the United States Internal Revenue Code,
26 26 U.S.C. ss. 401 and 408, as amended.

27 (f) Intangible personal property held under a
28 retirement plan of a Florida-based corporation exempt from
29 federal income tax under s. 501(c)(6) of the United States
30 Internal Revenue Code, 26 U.S.C., if the primary purpose of
31 the corporation is to support the promotion of professional

1 sports and the retirement plan is either a qualified plan
2 under s. 457 of the United States Internal Revenue Code or the
3 contributions to the plan, pursuant to a ruling by the United
4 States Internal Revenue Service, are not taxable to plan
5 participants until actual receipt or withdrawal by the
6 participant.

7 (g) Notes and other obligations, except bonds, to the
8 extent that such notes and obligations are secured by
9 mortgage, deed of trust, or other lien upon real property
10 situated outside the state.

11 (h) The assets of a corporation registered under the
12 Investment Company Act of 1940, 15 U.S.C. s. 80a-1-52, as
13 amended.

14 (i) All intangible personal property issued in or
15 arising out of any international banking transaction and owned
16 by a banking organization.

17 (j) Units of a unit investment trust organized under
18 an agreement or declaration of trust and registered under the
19 Investment Company Act of 1940, as amended, whose portfolio of
20 assets consists solely of assets exempt under this section.

21 (k) Real estate mortgage investment conduits (REMIC)
22 that are directly or indirectly secured by or payable from
23 notes and obligations that are in turn secured by a mortgage,
24 deed of trust, or other lien upon real property situated in or
25 outside of the state, including but not limited to mortgage
26 pools, participations, and derivatives and are held as
27 investments by banks or savings associations in compliance
28 with regulatory agency guidelines.

29 (l) One-third of the accounts receivable arising in
30 the ordinary course of a trade or business which are owned,
31 controlled, or managed by a taxpayer on January 1, 1999;

1 two-thirds of the accounts receivable owned, controlled, or
2 managed by a taxpayer on January 1, 2000; and all of such
3 accounts receivable owned, controlled, or managed by a
4 taxpayer on January 1, 2001. This exemption does not apply to
5 accounts receivable which arise outside the taxpayer's
6 ordinary course of trade or business. For the purposes of this
7 chapter, "accounts receivable" means a business debt which is
8 owed by another in the taxpayer's ordinary course of trade or
9 business and is not supported by negotiable instruments.
10 Accounts receivable include, but are not limited to, credit
11 card receivables, charge card receivables, credit receivables,
12 margin receivables, inventory or other floor plan financing,
13 lease payments past due, conditional sales contracts, and
14 financing lease contracts.

15 (5) Every bank and savings association, as defined in
16 s. 220.62, is exempt from ~~5 mill~~ of the tax imposed by s.
17 199.032.

18 (8) Every insurer, as defined in s. 624.03, whether
19 the insurer is authorized or unauthorized as defined in s.
20 624.09, is exempt from the tax imposed by s. 199.032.

21 (2) The amendment to subsection (5) of s. 199.185,
22 Florida Statutes, by this section shall apply to taxes due on
23 or after July 1, 1999.

24 Section 7. Effective July 1, 2000, paragraphs (i) and
25 (k) of subsection (1) of section 199.185, Florida Statutes,
26 are repealed.

27 Section 8. Effective for tax years beginning after
28 December 31, 1999, sections 199.104 and 220.68, Florida
29 Statutes, are repealed.

30 Section 9. Subsections (3) and (4) of section 199.282,
31 Florida Statutes, are amended to read:

1 199.282 Penalties for violation of this chapter.--

2 (3)(a) If any annual or nonrecurring tax is not paid
3 by the due date, a delinquency penalty shall be charged. The
4 delinquency penalty shall be 10 percent of the delinquent tax
5 for each calendar month or portion thereof from the due date
6 until paid, up to a limit of 50 percent of the total tax not
7 timely paid.

8 (b) If any annual tax return required by this chapter
9 is not filed by the due date, a penalty of 10 ~~30~~ percent of
10 the tax due with the return shall be charged for each calendar
11 month or portion thereof during which the return remains
12 unfiled, up to a limit of 50 percent of the total tax due for
13 ~~each year or portion of the year during which the return~~
14 ~~remains unfiled.~~

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16 For any penalty assessed under this subsection, the combined
17 total for all penalties assessed under paragraphs (a) and (b)
18 shall not exceed 10 percent per calendar month, up to a limit
19 of 50 percent of the total tax due.

20 (4) If an annual tax return is filed and property is
21 either omitted from it or undervalued, then a specific penalty
22 shall be charged. The specific penalty shall be 10 ~~30~~ percent
23 of the tax attributable to each omitted item or to each
24 undervaluation. No delinquency or late filing penalty shall be
25 charged with respect to any undervaluation.

26 Section 10. Subsection (3) of section 199.292, Florida
27 Statutes, is amended to read:

28 199.292 Disposition of intangible personal property
29 taxes.--All intangible personal property taxes collected
30 pursuant to this chapter shall be placed in a special fund

31

1 designated as the "Intangible Tax Trust Fund." The fund shall
2 be disbursed as follows:

3 (3) An amount equal to 42.4 ~~33.5~~ percent of the
4 remaining intangible personal property taxes collected shall
5 be transferred to the Revenue Sharing Trust Fund for Counties.
6 An amount equal to 57.6 ~~66.5~~ percent of the remaining taxes
7 collected shall be transferred to the General Revenue Fund of
8 the state.

9 Section 11. Notwithstanding the provisions of s.
10 199.292(3), Florida Statutes, the Intangible Tax Trust Fund
11 shall be disbursed as follows:

12 (1) For the period July 1, 1998, through June 30,
13 1999, an amount equal to 38.6 percent of the remaining
14 intangible personal property taxes collected shall be
15 transferred to the Revenue Sharing Trust Fund for Counties,
16 and an amount equal to 61.4 percent of the remaining taxes
17 collected shall be transferred to the General Revenue Fund of
18 the state.

19 (2) For the period July 1, 1999, through June 30,
20 2000, an amount equal to 40.2 percent of the remaining
21 intangible personal property taxes collected shall be
22 transferred to the Revenue Sharing Trust Fund for Counties,
23 and an amount equal to 59.8 percent of the remaining taxes
24 collected shall be transferred to the General Revenue Fund of
25 the state.

26 Section 12. Effective July 1, 2000, subsection (10) of
27 section 220.02, Florida Statutes, is amended to read:

28 220.02 Legislative intent.--

29 (10) It is the intent of the Legislature that credits
30 against either the corporate income tax or the franchise tax
31 be applied in the following order: ~~those enumerated in s.~~

1 ~~220.68~~, those enumerated in s. 631.719(1), those enumerated in
2 s. 631.705, those enumerated in s. 220.18, those enumerated in
3 s. 631.828, those enumerated in s. 220.181, those enumerated
4 in s. 220.183, those enumerated in s. 220.182, those
5 enumerated in s. 220.1895, those enumerated in s. 221.02,
6 those enumerated in s. 220.184, those enumerated in s.
7 220.186, and those enumerated in s. 220.188.

8 Section 13. Effective July 1, 2000, subsection (4) of
9 section 213.053, Florida Statutes, is amended to read:

10 213.053 Confidentiality and information sharing.--

11 (4) Nothing contained in this section shall prevent
12 the department from publishing statistics so classified as to
13 prevent the identification of particular accounts, reports,
14 declarations, or returns or prevent the department from
15 disclosing to the Comptroller the names and addresses of those
16 taxpayers who have claimed ~~an exemption pursuant to s.~~
17 ~~199.185(1)(i) or~~ a deduction pursuant to s. 220.63(5).

18 Section 14. Effective July 1, 2000, section 213.054,
19 Florida Statutes, is amended to read:

20 213.054 Persons claiming tax ~~exemptions or~~ deductions;
21 annual report.--The Department of Revenue shall be responsible
22 for monitoring the utilization of tax exemptions and tax
23 deductions authorized pursuant to chapter 81-179, Laws of
24 Florida. On or before September 1 of each year, the
25 department shall report to the Comptroller the names and
26 addresses of all persons who have claimed ~~an exemption~~
27 ~~pursuant to s. 199.185(1)(i) or~~ a deduction pursuant to s.
28 220.63(5).

29 Section 15. Subsections (4), (7), and (8) of section
30 624.509, Florida Statutes, are amended to read:

31 624.509 Premium tax; rate and computation.--

1 (4) ~~The intangible tax imposed under chapter 199,~~The
2 income tax imposed under chapter 220, and the emergency excise
3 tax imposed under chapter 221 which are paid by any insurer
4 shall be credited against, and to the extent thereof shall
5 discharge, the liability for tax imposed by this section for
6 the annual period in which such tax payments are made. As to
7 any insurer issuing policies insuring against loss or damage
8 from the risks of fire, tornado, and certain casualty lines,
9 the tax imposed by this section, as intended and contemplated
10 by this subsection, shall be construed to mean the net amount
11 of such tax remaining after there has been credited thereon
12 such gross premium receipts tax as may be payable by such
13 insurer in pursuance of the imposition of such tax by any
14 incorporated cities or towns in the state for firefighters'
15 relief and pension funds and police officers' retirement funds
16 maintained in such cities or towns, as provided in and by
17 relevant provisions of the Florida Statutes. For purposes of
18 this subsection, payments of estimated income tax under
19 chapter 220 and of estimated emergency excise tax under
20 chapter 221 shall be deemed paid either at the time the
21 insurer actually files its annual returns under chapter 220 or
22 at the time such returns are required to be filed, whichever
23 first occurs, and not at such earlier time as such payments of
24 estimated tax are actually made.

25 (7) Credits and deductions against the tax imposed by
26 this section shall be taken in the following order: deductions
27 for assessments made pursuant to s. 440.51; credits for taxes
28 paid under ss. 175.101 and 185.08; credits for income taxes
29 paid under chapter 220, the emergency excise tax paid under
30 chapter 221 and the credit allowed under subsection (5), as
31 these credits are limited by subsection (6); ~~credits for~~

1 ~~intangible taxes paid under chapter 199~~ all other available
2 credits and deductions.

3 (8) From and after July 1, 1980, the premium tax
4 authorized by this section shall not be imposed upon receipts
5 of annuity premiums or considerations paid by holders in this
6 state ~~and from and after July 1, 1991, the intangible tax~~
7 ~~imposed by chapter 199 shall not be imposed on assets equal to~~
8 ~~the statutory legal reserves of annuity products maintained by~~
9 ~~insurance companies on behalf of their holders~~ if the tax
10 savings derived are credited to the annuity holders. Upon
11 request by the Department of Revenue, any insurer availing
12 itself of this provision shall submit to the department
13 evidence which establishes that the tax savings derived have
14 been credited to annuity holders. As used in this subsection,
15 the term "holders" shall be deemed to include employers
16 contributing to an employee's pension, annuity, or
17 profit-sharing plan.

18 Section 16. For tax years beginning on or after
19 January 1, 1999, no credit under s. 624.509(4), Florida
20 Statutes, for intangible tax imposed under chapter 199,
21 Florida Statutes, shall be available.

22 Section 17. Except as otherwise provided herein, this
23 act shall take effect July 1 of the year in which enacted.

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HOUSE SUMMARY

Defines "ministerial function" and "processing activity" for purposes of determining application of intangible personal property taxes. Increases from \$5 to \$60 the minimum amount of annual intangible personal property tax which a person may be required to pay. Specifies the taxable status of intangible personal property held by a trust for which a bank or savings association acts as trustee or as an agent other than a trustee, and provides responsibilities of Florida residents with a beneficial interest in a trust for which a bank or savings association acts as trustee. Provides taxable status of assets purchased by, and property managed by, an investment adviser under specified conditions.

Provides an exemption from intangible personal property taxes for accounts receivable arising out of a trade or business, to be phased in over 3 years. Increases the present exemption from .5 mill of the annual tax for banks and savings associations to a full exemption, applicable to taxes due after July 1, 1999. Exempts insurers from the annual tax. Removes provisions relating to various credits and exemptions, to conform.

Revises the penalty for late filing of an annual intangible tax return. Provides a limitation on combined delinquency and late filing penalties. Revises the penalty for omitting or undervaluing property on an annual return. Revises the distribution of intangible tax revenues and provides for transition.