

Amendment No. 001 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

Representative(s) Ogles offered the following:

Amendment (with title amendment)

On page 1, line 27

remove from the bill: everything after the enacting clause

and insert in lieu thereof:

Section 1. Section 199.185, Florida Statutes, is amended to read:

199.185 Property exempted from annual and nonrecurring taxes.--

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

(a) Money.

(b) Franchises.

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

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1 (d) Notes, bonds, and other obligations issued by the
2 State of Florida or its municipalities, counties, and other
3 taxing districts, or by the United States Government and its
4 agencies.

5 (e) Intangible personal property held in trust
6 pursuant to any stock bonus, pension, or profit-sharing plan
7 or any individual retirement account which is qualified under
8 s. 530, s. 401, s. 408, or s. 408A of the United States
9 Internal Revenue Code, 26 U.S.C. ss. 530, 401, 408, and 408A,
10 as amended.

11 (f) Intangible personal property held under a
12 retirement plan of a Florida-based corporation exempt from
13 federal income tax under s. 501(c)(6) of the United States
14 Internal Revenue Code, 26 U.S.C., if the primary purpose of
15 the corporation is to support the promotion of professional
16 sports and the retirement plan is either a qualified plan
17 under s. 457 of the United States Internal Revenue Code or the
18 contributions to the plan, pursuant to a ruling by the United
19 States Internal Revenue Service, are not taxable to plan
20 participants until actual receipt or withdrawal by the
21 participant.

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

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

29 (i) All intangible personal property issued in or
30 arising out of any international banking transaction and owned
31 by a banking organization.

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

5 (k) Interests in real estate securitizations,
6 including, but not limited to, real estate mortgage investment
7 conduits (REMIC) and financial asset securitization trusts
8 (FASITS), which are directly or indirectly secured by or
9 payable from notes and obligations that are in turn secured
10 solely by a mortgage, deed of trust, or other lien upon real
11 property situated in or outside the state, including, but not
12 limited to, mortgage pools, participations, and derivatives.

13 (1) All ~~One-third of the~~ accounts receivable arising
14 or acquired in the ordinary course of a trade or business
15 which are owned, controlled, or managed by a taxpayer on
16 January 1, 2000 ~~1999~~, and thereafter. ~~It is the intent of the~~
17 ~~Legislature that, pursuant to future legislative action, the~~
18 ~~portion of such accounts receivable exempt from taxation be~~
19 ~~increased to two-thirds for taxes levied on January 1, 2000,~~
20 ~~and further increased to all such accounts receivable on~~
21 ~~January 1, 2001, and thereafter.~~ This exemption does not
22 apply to accounts receivable which arise outside the
23 taxpayer's ordinary course of trade or business. For the
24 purposes of this chapter, the term "accounts receivable" means
25 a business debt that is owed by another to the taxpayer or the
26 taxpayer's assignee in the ordinary course of trade or
27 business and is not supported by negotiable instruments.
28 Accounts receivable include, but are not limited to, credit
29 card receivables, charge card receivables, credit receivables,
30 margin receivables, inventory or other floor plan financing,
31 lease payments past due, conditional sales contracts, retail

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1 installment sales agreements, financing lease contracts, and a
2 claim against a debtor usually arising from sales or services
3 rendered and which is not necessarily due or past due. The
4 examples specified in this paragraph shall be deemed not to be
5 supported by negotiable instruments. The term "negotiable
6 instrument" means a written document that is legally capable
7 of being transferred by indorsement or delivery. The term
8 "indorsement" means the act of a payee or holder in writing
9 his or her name on the back of an instrument without further
10 qualifying words other than "pay to the order of" or "pay to"
11 whereby the property is assigned and transferred to another.

12 (m) Stock options granted to employees by their
13 employer pursuant to an incentive plan, if the employees
14 cannot transfer, sell, or mortgage the options. Stock
15 purchased by an employee from an employer pursuant to an
16 incentive plan shall be treated as a nontaxable stock option
17 if part of the purchase price of the stock is nonrecourse debt
18 secured by the stock and the stock cannot be sold,
19 transferred, or assigned by the employee until the nonrecourse
20 debt is discharged. Such stock becomes taxable stock when it
21 can be sold, transferred, or assigned by the employee.

22 ~~(2)(a) With respect to the first mill of the annual~~
23 ~~tax, every natural person is entitled each year to an~~
24 ~~exemption of the first \$20,000 of the value of property~~
25 ~~otherwise subject to said tax. A husband and wife filing~~
26 ~~jointly shall have an exemption of \$40,000.~~

27 ~~(b) With respect to the last mill of the annual tax,~~
28 every natural person is entitled each year to an exemption of
29 the first \$100,000 of the value of property otherwise subject
30 to said tax. A husband and wife filing jointly are entitled to
31 ~~shall have~~ an exemption of \$200,000. Every taxpayer that is

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1 not a natural person is entitled each year to an exemption of
2 the first \$100,000 of the value of property otherwise subject
3 to the tax.

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5 Agents and fiduciaries, other than guardians and custodians
6 under a gifts-to-minors act, filing as such may not claim this
7 exemption on behalf of their principals or beneficiaries;
8 however, if the principal or beneficiary returns the property
9 held by the agent or fiduciary and is a natural person, the
10 principal or beneficiary may claim the exemption. No taxpayer
11 shall be entitled to more than one exemption under this
12 subsection paragraph (a) and one exemption under paragraph
13 ~~(b)~~. This exemption shall not apply to that intangible
14 personal property described in s. 199.023(1)(d).

15 (3) Every natural person who is a widow or widower, or
16 who is blind, or who is totally and permanently disabled, is
17 entitled each year to an additional exemption of \$500 of
18 property otherwise subject to the annual or nonrecurring tax.
19 This exemption is afforded by s. 3, Art. VII of the State
20 Constitution and is available only to the extent not used
21 against real property or tangible personal property taxes.

22 (4) Charitable trusts, 95 percent of the income of
23 which is paid to organizations exempt from federal income tax
24 pursuant to s. 501(c)3 of the Internal Revenue Code, shall be
25 exempt from 1 mill of the tax imposed in s. 199.032.

26 (5) Those organizations defined in s. 220.62(1), (2),
27 (3), or (4) are exempt from the tax imposed by s. 199.032.

28 ~~(6) Every liquor distributor that is domiciled in this~~
29 ~~state, that is authorized to do business under the Beverage~~
30 ~~law, and that has paid the license taxes required by s.~~
31 ~~565.03(2) is exempt from paying tax on accounts receivable~~

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1 ~~owned by the taxpayer which are derived from, arise out of, or~~
2 ~~are issued in connection with a sale of alcoholic beverages~~
3 ~~transacted in another state with a customer in another state.~~

4 (6)~~(7)~~ A national bank that has its principal place
5 of business in another state, processes credit card credit
6 applications in this state or performs customer service or
7 collection operations in this state, and is not a bank under
8 12 U.S.C. s. 1941(c)(2)(F), is exempt from paying tax on
9 credit card receivables owed to the bank by a credit card
10 holder domiciled outside this state.

11 (7)~~(8)~~ Every insurer, as defined in s. 624.03,
12 whether the insurer is authorized or unauthorized as defined
13 in s. 624.09, is exempt from the tax imposed by s. 199.032.

14 Section 2. Subsection (3) of section 199.292, Florida
15 Statutes, is amended to read:

16 199.292 Disposition of intangible personal property
17 taxes.--All intangible personal property taxes collected
18 pursuant to this chapter shall be placed in a special fund
19 designated as the "Intangible Tax Trust Fund." The fund shall
20 be disbursed as follows:

21 (3) Of the remaining intangible personal property
22 taxes collected, an amount equal to 45.67 ~~35.3~~ percent in
23 ~~state fiscal year 1998-1999~~ and an amount equal to ~~37.7~~
24 ~~percent in each year thereafter~~, shall be transferred to the
25 Revenue Sharing Trust Fund for Counties. Of the remaining
26 taxes collected, an amount equal to 54.33 ~~64.7~~ percent in
27 ~~state fiscal year 1998-1999~~ and an amount equal to ~~62.3~~
28 ~~percent in each year thereafter~~, shall be transferred to the
29 General Revenue Fund of the state.

30 Section 3. This act shall take effect July 1, 1999.

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1 ===== T I T L E A M E N D M E N T =====
2 And the title is amended as follows:
3 On page 1, lines 2-23
4 remove from the title of the bill: all of said lines
5
6 and insert in lieu thereof:
7 An act relating to taxation of intangible personal property;
8 amending s. 199.185, F.S.; exempting accounts receivable;
9 increasing exemptions for taxpayers who are natural persons;
10 creating exemptions for taxpayers who are not natural persons;
11 amending s. 199.292, F.S.; changing distributions of tax
12 proceeds to the General Revenue Fund and the Revenue Sharing
13 Trust Fund for Counties; providing an effective date.
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