

By the Committee on Fiscal Resource and Senator Horne

314-1983-99

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A bill to be entitled  
An act relating to the tax on intangible  
personal property; amending s. 199.143, F.S.;  
revising the method of calculating the tax on  
future advances; providing an effective date.

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

Section 1. Section 199.143, Florida Statutes, is  
amended to read:

199.143 Future advances.--

(1) Except as provided in subsection (3), if the  
mortgage, deed of trust, or other lien is recorded or executed  
after December 31, 1985, and secures ~~a line of credit or  
otherwise secures~~ future advances, as provided in s. 697.04,  
the nonrecurring tax shall initially be paid on the initial  
obligation secured, excluding future advances. Each time ~~an  
additional amount is borrowed or~~ a future advance is made,  
additional nonrecurring tax shall be paid on the amount of the  
advance. However, any increase in the amount of original  
indebtedness caused by interest accruing under an adjustable  
interest rate obligation having an initial interest rate  
adjustment interval of not less than 6 months shall be taxable  
as a future advance only to the extent such increase is a  
computable sum certain when the original indebtedness is  
incurred.

(2) The trustee, if a deed of trust, or the owner of  
the obligation, if a mortgage or other lien, making the  
advance shall pay the additional tax to the clerk to whom the  
initial tax was paid. The clerk shall note the amount

1 received upon the instrument, if one has been recorded, or  
2 shall otherwise give a receipt.

3 (3) ~~If the property subject to the mortgage, deed of~~  
4 ~~trust, or other lien which secures a line of credit is a~~  
5 ~~residence of the borrower at the time the mortgage, deed of~~  
6 ~~trust, or other lien is created, then the nonrecurring tax~~  
7 ~~shall be paid as provided in s. 199.135 on the maximum amount~~  
8 ~~of the line of credit, except as limited by s. 199.133, and no~~  
9 ~~further nonrecurring tax shall be due on any borrowing under~~  
10 ~~the line of credit. As used in this subsection, "residence"~~  
11 ~~includes only a dwelling unit that is a primary, secondary, or~~  
12 ~~vacation home of the borrower, who is a natural person, and~~  
13 ~~that has been primarily occupied for residential or~~  
14 ~~recreational purposes at any time during the immediately~~  
15 ~~preceding 1-year period by the borrower or by the borrower's~~  
16 ~~spouse or children. The term excludes any dwelling that is~~  
17 ~~used primarily as a rental unit. Use by a member of the~~  
18 ~~borrower's immediate family for consideration is deemed rental~~  
19 ~~of the dwelling unit. Notwithstanding the fact that title to~~  
20 ~~a dwelling unit is held by a trustee, the dwelling unit shall~~  
21 ~~be considered a residence of the borrower and may be used as~~  
22 ~~security for a line of credit under this subsection, as long~~  
23 ~~as the dwelling unit is a residence of the borrower, as~~  
24 ~~defined in this subsection.~~

25 Section 2. This act shall take effect July 1, 1999.

26  
27 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
28 COMMITTEE SUBSTITUTE FOR  
29 SB 2496

30 This committee substitute removes sections of the bill which  
31 repeal the intangibles tax on trusts held by Florida trustees.