

By Representative Starks

1                                   A bill to be entitled  
2           An act relating to intangible personal property  
3           taxes; amending s. 199.185, F.S.; increasing  
4           the percentage of accounts receivable that is  
5           exempt from said taxes; retaining legislative  
6           intent to exempt all accounts receivable on a  
7           future date; providing an effective date.

8

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

10

11           Section 1. Paragraph (1) of subsection (1) of section  
12 199.185, Florida Statutes, 1998 Supplement, is amended to  
13 read:

14           199.185 Property exempted from annual and nonrecurring  
15 taxes.--

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

19           (1) Two-thirds ~~One-third~~ of the accounts receivable  
20 arising or acquired in the ordinary course of a trade or  
21 business which are owned, controlled, or managed by a taxpayer  
22 on January 1, 2000 ~~1999~~, and thereafter. It is the intent of  
23 the Legislature that, pursuant to future legislative action,  
24 the portion of such accounts receivable exempt from taxation  
25 be increased ~~to two-thirds for taxes levied on January 1,~~  
26 ~~2000, and further increased~~ to all such accounts receivable on  
27 January 1, 2001, and thereafter. This exemption does not apply  
28 to accounts receivable which arise outside the taxpayer's  
29 ordinary course of trade or business. For the purposes of this  
30 chapter, the term "accounts receivable" means a business debt  
31 that is owed by another to the taxpayer or the taxpayer's

1 assignee in the ordinary course of trade or business and is  
2 not supported by negotiable instruments. Accounts receivable  
3 include, but are not limited to, credit card receivables,  
4 charge card receivables, credit receivables, margin  
5 receivables, inventory or other floor plan financing, lease  
6 payments past due, conditional sales contracts, retail  
7 installment sales agreements, financing lease contracts, and a  
8 claim against a debtor usually arising from sales or services  
9 rendered and which is not necessarily due or past due. The  
10 examples specified in this paragraph shall be deemed not to be  
11 supported by negotiable instruments. The term "negotiable  
12 instrument" means a written document that is legally capable  
13 of being transferred by indorsement or delivery. The term  
14 "indorsement" means the act of a payee or holder in writing  
15 his or her name on the back of an instrument without further  
16 qualifying words other than "pay to the order of" or "pay to"  
17 whereby the property is assigned and transferred to another.

18 Section 2. This act shall take effect January 1, 2000.

19 \*\*\*\*\*  
20 \*\*\*\*\*

21 HOUSE SUMMARY

22 Implements legislative intent that the second one-third  
23 of accounts receivable become exempt from intangible  
24 personal property taxes on January 1, 2000. Present law  
25 exempts one-third on January 1, 1999, and expresses the  
26 intent that all accounts receivable be exempt beginning  
27 January 1, 2001.  
28  
29  
30  
31