

By Senator Lee

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A bill to be entitled
An act relating to intangible property taxes;
amending s. 199.185, F.S.; prescribing the
amount of accounts receivable subject to the
tax as of January 1, 2000; providing an
effective date.

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

Section 1. Paragraph (1) of subsection (1) of section
199.185, Florida Statutes, 1998 Supplement, 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:

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

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

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

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SENATE SUMMARY

Confirms the previously declared intent of the
Legislature that two-thirds of accounts receivable
arising or acquired in the ordinary course of a trade or
business be exempt from the tax on intangible personal
property as of January 1, 2000.