

By the Committee on Fiscal Resource and Senator Lee

314-1027A-99

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A bill to be entitled  
An act relating to intangible property taxes;  
amending s. 199.032, F.S.; reducing the rate of  
such taxes; amending s. 199.185, F.S.;  
prescribing the amount of accounts receivable  
subject to the tax as of January 1, 2000;  
providing that an exemption applies to the last  
0.5 mill of the annual tax; providing an  
effective date.

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

Section 1. Section 199.032, Florida Statutes, is  
amended to read:

199.032 Levy of annual tax.--An annual tax of 1.5 ~~2~~  
mills is hereby imposed on each dollar of the just valuation  
of all intangible personal property that ~~which~~ has a taxable  
situs in this state, except for notes and other obligations  
for the payment of money, other than bonds, which are secured  
by mortgage, deed of trust, or other lien upon real property  
situated in the state. This tax shall be assessed and  
collected as provided in this chapter.

Section 2. Paragraph (1) of subsection (1) and  
paragraph (b) of subsection (2) of section 199.185, Florida  
Statutes, 1998 Supplement, are 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           (1) Two-thirds ~~One-third~~ of the accounts receivable  
2 arising or acquired in the ordinary course of a trade or  
3 business which are owned, controlled, or managed by a taxpayer  
4 on January 1, 2000 ~~1999~~, and thereafter. It is the intent of  
5 the Legislature that, pursuant to future legislative action,  
6 the portion of such accounts receivable exempt from taxation  
7 be increased to ~~two-thirds for taxes levied on January 1,~~  
8 ~~2000, and further increased to~~ all such accounts receivable on  
9 January 1, 2001, and thereafter. This exemption does not apply  
10 to accounts receivable that ~~which~~ arise outside the taxpayer's  
11 ordinary course of trade or business. For the purposes of this  
12 chapter, the term "accounts receivable" means a business debt  
13 that is owed by another to the taxpayer or the taxpayer's  
14 assignee in the ordinary course of trade or business and is  
15 not supported by negotiable instruments. Accounts receivable  
16 include, but are not limited to, credit card receivables,  
17 charge card receivables, credit receivables, margin  
18 receivables, inventory or other floor plan financing, lease  
19 payments past due, conditional sales contracts, retail  
20 installment sales agreements, financing lease contracts, and a  
21 claim against a debtor usually arising from sales or services  
22 rendered and which is not necessarily due or past due. The  
23 examples specified in this paragraph shall be deemed not to be  
24 supported by negotiable instruments. The term "negotiable  
25 instrument" means a written document that is legally capable  
26 of being transferred by indorsement or delivery. The term  
27 "indorsement" means the act of a payee or holder in writing  
28 his or her name on the back of an instrument without further  
29 qualifying words other than "pay to the order of" or "pay to"  
30 whereby the property is assigned and transferred to another.  
31           (2)

1           (b) With respect to the last 0.5 mill of the annual  
2 tax, every natural person is entitled each year to an  
3 exemption of the first \$100,000 of the value of property  
4 otherwise subject to said tax. A husband and wife filing  
5 jointly shall have an exemption of \$200,000.

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

17           Section 3. This act shall take effect January 1, 2000.

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19                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
20                   COMMITTEE SUBSTITUTE FOR  
21                   SB 318

22 The committee substitute adds a provision that reduces the  
23 annual intangibles tax rate from 2 mills to 1.5 mills.  
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