

By Representative Starks

1                                   A bill to be entitled  
 2           An act relating to intangible personal property  
 3           taxes; amending s. 199.032, F.S.; reducing the  
 4           rate of the annual tax; amending s. 199.033,  
 5           F.S.; reducing the rates of the tax on  
 6           securities in a Florida's Future Investment  
 7           Fund to conform; amending s. 199.185, F.S.;  
 8           providing that all accounts receivable are  
 9           exempt from intangible personal property taxes;  
 10          revising the application of the exemption from  
 11          the annual tax granted to natural persons;  
 12          providing an effective date.

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

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

18           199.032 Levy of annual tax.--An annual tax of 1 mill  
 19 ~~1.5 mills~~ is imposed on each dollar of the just valuation of  
 20 all intangible personal property that has a taxable situs in  
 21 this state, except for notes and other obligations for the  
 22 payment of money, other than bonds, which are secured by  
 23 mortgage, deed of trust, or other lien upon real property  
 24 situated in the state. This tax shall be assessed and  
 25 collected as provided in this chapter.

26           Section 2. Subsection (1) of section 199.033, Florida  
 27 Statutes, is amended to read:

28           199.033 Securities in a Florida's Future Investment  
 29 Fund; tax rate.--

30           (1) Notwithstanding the provisions of this chapter,  
 31 the tax imposed under s. 199.032 on securities in a Florida's

1 Future Investment Fund shall apply at the rate of .85 mill  
2 ~~1.35 mills~~ when the average daily balance in such funds  
3 exceeds \$2 billion and at the rate of .70 mill ~~1.20 mills~~ when  
4 the average daily balance in such funds exceeds \$5 billion.

5 Section 3. Paragraph (1) of subsection (1) and  
6 paragraph (a) of subsection (2) of section 199.185, Florida  
7 Statutes, are amended to read:

8 199.185 Property exempted from annual and nonrecurring  
9 taxes.--

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

13 (1) All ~~Two-thirds 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, 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 all such accounts receivable on January 1, 2001,~~  
20 ~~and thereafter.~~ This exemption does not apply to accounts  
21 receivable that arise outside the taxpayer's ordinary course  
22 of trade or business. For the purposes of this chapter, the  
23 term "accounts receivable" means a business debt that is owed  
24 by another to the taxpayer or the taxpayer's assignee in the  
25 ordinary course of trade or business and is not supported by  
26 negotiable instruments. Accounts receivable include, but are  
27 not limited to, credit card receivables, charge card  
28 receivables, credit receivables, margin receivables, inventory  
29 or other floor plan financing, lease payments past due,  
30 conditional sales contracts, retail installment sales  
31 agreements, financing lease contracts, and a claim against a

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

11 (2)(a) With respect to the first 0.5 mill of the  
12 annual tax, every natural person is entitled each year to an  
13 exemption of the first \$20,000 of the value of property  
14 otherwise subject to said tax. A husband and wife filing  
15 jointly shall have an exemption of \$40,000.

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

21  
22 Agents and fiduciaries, other than guardians and custodians  
23 under a gifts-to-minors act, filing as such may not claim this  
24 exemption on behalf of their principals or beneficiaries;  
25 however, if the principal or beneficiary returns the property  
26 held by the agent or fiduciary and is a natural person, the  
27 principal or beneficiary may claim the exemption. No taxpayer  
28 shall be entitled to more than one exemption under paragraph  
29 (a) and one exemption under paragraph (b). This exemption  
30 shall not apply to that intangible personal property described  
31 in s. 199.023(1)(d).

1           Section 4. This act shall take effect January 1, 2001.

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HOUSE SUMMARY

Reduces the rate of the annual intangible tax from 1.5 mills to 1 mill, and revises the application of the exemption granted to natural persons to conform.

Implements legislative intent that the last one-third of accounts receivable become exempt from intangible personal property taxes on January 1, 2001. Present law exempts two-thirds and expresses the intent that all accounts receivable be exempt beginning on that date.