

By Senator Lee

23-120A-00

1                                   A bill to be entitled  
2           An act relating to the tax on intangible  
3           personal property; amending s. 199.032, F.S.;  
4           reducing the rate of such tax; amending s.  
5           199.033, F.S.; reducing the rates of the tax on  
6           securities in a Florida Futures Investment Fund  
7           to conform; amending s. 199.185, F.S.;  
8           exempting accounts receivable from the tax as  
9           of a specified date; deleting an exemption from  
10          the tax to conform; providing an effective  
11          date.

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

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

17           199.032 Levy of annual tax.--An annual tax of 1 mill  
18 ~~1.5 mills~~ is imposed on each dollar of the just valuation of  
19 all intangible personal property that has a taxable situs in  
20 this state, except for notes and other obligations for the  
21 payment of money, other than bonds, which are secured by  
22 mortgage, deed of trust, or other lien upon real property  
23 situated in the state. This tax shall be assessed and  
24 collected as provided in this chapter.

25           Section 2. Section 199.033, Florida Statutes, is  
26 amended to read:

27           199.033 Securities in a Florida's Future Investment  
28 Fund; tax rate.--

29           (1) Notwithstanding the provisions of this chapter,  
30 the tax imposed under s. 199.032 on securities in a Florida's  
31 Future Investment Fund shall apply at the rate of 0.85 mill

1 ~~1.35 mills~~ when the average daily balance in such funds  
2 exceeds \$2 billion and at the rate of 0.70 mill ~~1.20 mills~~  
3 when the average daily balance in such funds exceeds \$5  
4 billion.

5 (2) This section shall not apply in any year in which  
6 the revenues of the foundation in the previous calendar year  
7 are less than the tax savings allowed by this section. "Tax  
8 savings" means the difference between the tax that would be  
9 imposed pursuant to s. 199.032 and the tax rate specified in  
10 subsection (1).

11 Section 3. Paragraph (1) of subsection (1) and  
12 subsection (2) of section 199.185, Florida Statutes, are  
13 amended to 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 of~~ The accounts receivable arising or  
20 acquired in the ordinary course of a trade or business which  
21 are owned, controlled, or managed by a taxpayer on January 1,  
22 2001 ~~2000~~, and thereafter. ~~It is the intent of the Legislature~~  
23 ~~that, pursuant to future legislative action, the portion of~~  
24 ~~such accounts receivable exempt from taxation be increased to~~  
25 ~~all such accounts receivable on January 1, 2001, and~~  
26 ~~thereafter.~~ This exemption does not apply to accounts  
27 receivable that arise outside the taxpayer's ordinary course  
28 of trade or business. For the purposes of this chapter, the  
29 term "accounts receivable" means a business debt that is owed  
30 by another to the taxpayer or the taxpayer's assignee in the  
31 ordinary course of trade or business and is not supported by

1 negotiable instruments. Accounts receivable include, but are  
2 not limited to, credit card receivables, charge card  
3 receivables, credit receivables, margin receivables, inventory  
4 or other floor plan financing, lease payments past due,  
5 conditional sales contracts, retail installment sales  
6 agreements, financing lease contracts, and a claim against a  
7 debtor usually arising from sales or services rendered and  
8 which is not necessarily due or past due. The examples  
9 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       (2)(a) ~~With respect to the first mill of the annual~~  
18 ~~tax,~~ Every natural person is entitled each year to an  
19 exemption of the first \$20,000 of the value of property  
20 otherwise subject to said tax. A husband and wife filing  
21 jointly shall have an exemption of \$40,000.

22       (b) ~~With respect to the last 0.5 mill of the annual~~  
23 ~~tax, every natural person is entitled each year to an~~  
24 ~~exemption of the first \$100,000 of the value of property~~  
25 ~~otherwise subject to said tax. A husband and wife filing~~  
26 ~~jointly shall have an exemption of \$200,000.~~ Agents and  
27 fiduciaries, other than guardians and custodians under a  
28 gifts-to-minors act, filing as such may not claim this  
29 exemption on behalf of their principals or beneficiaries;  
30 however, if the principal or beneficiary returns the property  
31 held by the agent or fiduciary and is a natural person, the

1 principal or beneficiary may claim the exemption. No taxpayer  
2 shall be entitled to more than one exemption under this  
3 subsection ~~paragraph (a) and one exemption under paragraph~~  
4 ~~(b)~~. This exemption shall not apply to that intangible  
5 personal property described in s. 199.023(1)(d).

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

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9 SENATE SUMMARY

10 Effective January 1, 2001, amends provisions relating to  
11 the tax on intangible personal property. Reduces the rate  
12 of the tax imposed on such property from 1.5 mills to 1  
13 mill per dollar of just valuation. Reduces the rates of  
14 the tax on securities in a Florida Futures Investment  
15 Account to conform. Exempts the entire amount of accounts  
16 receivable rather than two-thirds of the amount. Removes  
17 an exemption from the tax to conform.  
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