

By Representative Baxley

1                                   A bill to be entitled  
2           An act relating to the excise tax on documents;  
3           amending s. 201.08, F.S.; providing a limit on  
4           the amount of the tax on promissory or  
5           nonnegotiable notes, written obligations to pay  
6           money, and assignments of wages or other  
7           compensation and on certain promissory or  
8           nonnegotiable notes, written obligations to pay  
9           money, or other compensation made in connection  
10          with sales made under retail charge account  
11          services; providing an effective date.

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13 Be It Enacted by the Legislature of the State of Florida:  
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15           Section 1. Subsection (1) and paragraph (a) of  
16           subsection (2) of section 201.08, Florida Statutes, are  
17           amended to read:

18           201.08 Tax on promissory or nonnegotiable notes,  
19           written obligations to pay money, or assignments of wages or  
20           other compensation; exception.--

21           (1)(a) On promissory notes, nonnegotiable notes,  
22           written obligations to pay money, or assignments of salaries,  
23           wages, or other compensation made, executed, delivered, sold,  
24           transferred, or assigned in the state, and for each renewal of  
25           the same, the tax shall be 35 cents on each \$100 or fraction  
26           thereof of the indebtedness or obligation evidenced thereby.  
27           The tax on any document described in this paragraph shall not  
28           exceed \$2,450.

29           (b) On mortgages, trust deeds, security agreements, or  
30           other evidences of indebtedness filed or recorded in this  
31           state, and for each renewal of the same, the tax shall be 35

1 cents on each \$100 or fraction thereof of the indebtedness or  
2 obligation evidenced thereby. Mortgages, including, but not  
3 limited to, mortgages executed without the state and recorded  
4 in the state, which incorporate the certificate of  
5 indebtedness, not otherwise shown in separate instruments, are  
6 subject to the same tax at the same rate. When there is both  
7 a mortgage, trust deed, or security agreement and a note,  
8 certificate of indebtedness, or obligation, the tax shall be  
9 paid on the mortgage, trust deed, or security agreement at the  
10 time of recordation. A notation shall be made on the note,  
11 certificate of indebtedness, or obligation that the tax has  
12 been paid on the mortgage, trust deed, or security agreement.  
13 If the mortgage, trust deed, security agreement, or other  
14 evidence of indebtedness subject to the tax levied by this  
15 section secures future advances, as provided in s. 697.04, the  
16 tax shall be paid at the time of recordation on the initial  
17 debt or obligation secured, excluding future advances; at the  
18 time and so often as any future advance is made, the tax shall  
19 be paid on all sums then advanced regardless of where such  
20 advance is made. Notwithstanding the aforestated general rule,  
21 any increase in the amount of original indebtedness caused by  
22 interest accruing under an adjustable rate note or mortgage  
23 having an initial interest rate adjustment interval of not  
24 less than 6 months shall be taxable as a future advance only  
25 to the extent such increase is a computable sum certain when  
26 the document is executed. Failure to pay the tax shall not  
27 affect the lien for any such future advance given by s.  
28 697.04, but any person who fails or refuses to pay such tax  
29 due by him or her is guilty of a misdemeanor of the first  
30 degree. The mortgage, trust deed, or other instrument shall  
31 not be enforceable in any court of this state as to any such

1 advance unless and until the tax due thereon upon each advance  
2 that may have been made thereunder has been paid.

3 (2)(a) On promissory notes, nonnegotiable notes,  
4 written obligations to pay money, or other compensation, made,  
5 executed, delivered, sold, transferred, or assigned in the  
6 state, in connection with sales made under retail charge  
7 account services, incident to sales which are not conditional  
8 in character and which are not secured by mortgage or other  
9 pledge of purchaser, the tax shall be 35 cents on each \$100 or  
10 fraction thereof of the gross amount of the indebtedness  
11 evidenced by such instruments, payable quarterly on such forms  
12 and under such rules and regulations as may be promulgated by  
13 the Department of Revenue. The tax on any document described  
14 in this paragraph shall not exceed \$2,450.

15 Section 2. This act shall take effect July 1, 2002.

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18 HOUSE SUMMARY

19 Provides a \$2,450 limit on the amount of the documentary  
20 stamp tax on promissory or nonnegotiable notes, written  
21 obligations to pay money, and assignments of wages or  
22 other compensation and on certain promissory or  
23 nonnegotiable notes, written obligations to pay money, or  
24 other compensation made in connection with sales made  
25 under retail charge account services.  
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