

TIP 98B4-02
DATE ISSUED: Jun 12, 1998

**LEGISLATIVE CHANGES AFFECTING
DOCUMENTARY STAMP TAX**

Beginning July 1, 1998, documentary stamp tax on renewal notes will change as follows:

Term Obligation

A renewal note evidencing a term obligation that increases the unpaid balance of the original note is subject to documentary stamp tax only on the increased amount. The renewal note must have no new obligors and must evidence tax was paid on the original note.

The tax is now due on the difference between the unpaid balance of the original note and the face amount of the renewal note. A "sandwich" note or separate side note is no longer required.

Revolving Obligation

A renewal note evidencing a revolving obligation that increases the original face amount of the obligation is subject to documentary stamp tax only on the increased amount. The renewal note must have no new obligors and must evidence tax was paid on the original note.

The tax is now due on the difference between the face amount of the original obligation and the face amount of the renewal. A "sandwich" note or separate side note is no longer required.

FOR MORE INFORMATION

This document is intended to alert you to the requirements

contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, PO Box 7443, Tallahassee, FL 32314-7443.

Also, visit our Web site at <http://sun6.dms.state.fl.us/dor/> for forms and other information.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week using your fax machine handset and follow the instructions.

References:

Ch. 98-187, L.O.F.

s. 201.09(1), F.S.