

**Florida Department of Revenue
Tax Information Publication**

TIP 02B04-01

Date Issued: May 23, 2002

**Legislative Changes Affecting
Documentary Stamp Tax**

Changes That Took Effect March 14, 2002

Certificate of Title Issued in a Foreclosure Proceeding

This new law provides that when real property is sold by judicial sale based on an order or final judgment issued in a foreclosure proceeding, documentary stamp tax must be calculated on the final bid amount received for the property at the foreclosure sale. This law also requires the Clerk of the Court to collect the tax from the highest bidder when he or she files and records the certificate of title.

This new law is intended to clarify existing law, and must be applied retroactively.

Notation on Recorded Documents

Every recorded document must include a notation indicating the amount of documentary stamp tax paid and the county where payment is made. A Clerk of the Court, a county comptroller, or a designated agent of the Clerk or comptroller can make this notation. This new law allows the notation to be signed, initialed, or stamped with the name or initials of the Clerk, comptroller, or agent. Previously, only a signature was acceptable.

Changes That Took Effect May 1, 2002

Tax on Unsecured Notes Limited to \$2,450

The amount of documentary stamp tax imposed on unsecured notes and other written obligations to pay money that are made,

executed, delivered, sold, transferred, or assigned in Florida, has been limited to a maximum of \$2,450. The amount of tax imposed on mortgages or other liens filed or recorded in Florida continues to be due based on the total amount of the notes or other written obligations evidenced thereby.

Elimination of Tax on Original Issues of Stock

The original issuance in Florida of certificates of stock or shares, or certificates of profits or interests in property or accumulations is no longer subject to documentary stamp tax. This law change applies regardless of whether the issuance of such certificates is due to a business organization or reorganization.

Exemption for Employee Relocation Activity

The documentary stamp tax no longer applies to a contract, or documents related to the contract, to sell the residence of an employee relocating at the direction of the employer, if the sales contract is between the employee and employer, or between the employee and a person in the business of providing employee relocation services. Taxes on such transactions only apply to the transfer of the residence by deed that vests legal title in a named grantee.

References: Chapters 2002-8 and 2002-218, Laws of Florida;
Sections 201.02(8), 201.05, and 201.08(1),
Florida Statutes

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 forms and other information, visit our Internet site at www.myflorida.com/dor/. Or call Tax Information Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 (Florida only), or 850-488-6800.

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

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.

To receive a fax copy of a form, call 850-922-3676 from your fax machine telephone.