

**Florida Department of Revenue
Tax Information Publication**

**TIP 05ADM-03
Date: August 10, 2005**

**LEGISLATIVE CHANGES AFFECTING
DOCUMENTARY STAMP TAX
AND
NONRECURRING INTANGIBLE PERSONAL PROPERTY TAX**

DOCUMENTARY STAMP TAX

International Banking Transaction

Effective July 1, 2005, Section 201.23(4), Florida Statutes (F.S.), defines the terms "banking organization" and "international banking organization." These definitions replace the former references to s. 199.023(9) and (11), F.S.

Condominium or Homeowner Association Security Agreement

Effective July 1, 2005, documentary stamp tax is not due on a security instrument pledging condominium or homeowner association assessments, or fees, or club membership dues, fees, or assessments filed with the Clerk of the Circuit Court during the period April 15, 2000, through April 10, 2005, when a Uniform Commercial Code financing statement was filed and an affidavit is executed stating that the security instrument was recorded with the Clerk by mistake.

Timeshares (Notes):

Effective July 1, 2005, s. 201.08(8), F.S., provides that the tax on notes or other written obligations and mortgages or other evidences of indebtedness executed in conjunction with the sale by a developer of a timeshare interest in a timeshare plan is due on the earlier of the date on which:

the note, other written obligation, mortgage, or other evidence of indebtedness is recorded; or

all of the conditions precedent to the release of the purchaser's escrowed funds or other property pursuant to s. 721.08(2)(c), F.S., have been met.

When moneys are designated on a closing statement as tax collected from the purchaser, but the note, other written obligation, mortgage, or other evidence of indebtedness is not recorded, tax is to be paid to the Department of Revenue on the 20th day of the month following the month in which funds are available for release from escrow, unless the moneys are refunded to the purchaser before that date.

Timeshares (Deeds):

Effective July 1, 2005, s. 201.02(10), F.S., provides that the tax on deeds or other instruments conveying an interest in Florida real property executed in conjunction with the sale by a developer of a timeshare interest in a timeshare plan is due on the earlier of the date on which:

the deed or other instrument is recorded; or

all of the conditions precedent to the release of the purchaser's escrowed funds or other property pursuant to s. 721.08(2)(c), F.S., have been met.

When moneys are designated on a closing statement as tax collected from the purchaser, but a default or cancellation occurs and no deed or other instrument conveying an interest in Florida real property is recorded, tax is to be paid to Department of Revenue on the 20th day of the month following the month in which funds are available for release from escrow, unless the moneys are refunded to the purchaser before that date.

Mergers and Conversions

Effective January 1, 2006, documentary stamp taxes, as imposed under ss. 201.02(1) and 201.08(1)(a), F.S., are not due on deeds or other instruments that purport to convey interests in Florida real property and instruments purporting to assume notes and other written obligations to pay money that are executed or delivered as a result of the following mergers or conversions:

A domestic corporation converting into another business entity pursuant to s. 607.1112, F.S.

Another business entity converting into a domestic corporation pursuant to s. 607.1115, F.S.

A domestic limited liability company converting into another business entity pursuant to s. 608.4401, F.S.

An organization other than a limited partnership converting into a limited partnership and a limited partnership converting into an organization other than a limited partnership pursuant to s. 620.2102, F.S.

A limited partnership merging with one or more constituent organizations pursuant to s. 620.2106, F.S.

An organization other than a partnership converting into a partnership and a partnership converting into another organization pursuant to s. 620.8912, F.S.

A partnership merging with one or more other constituent organizations pursuant to s. 620.8916, F.S.

In each merger or conversion referred to above, title to all real property is conveyed to the surviving or converted entity by operation of law, and all debts and liabilities of the merging or converting entity become the debts and liabilities of the surviving or converted entity by operation of law.

INTANGIBLE PERSONAL PROPERTY TAX

Timeshares:

Effective July 1, 2005, s. 199.135(5), F.S., provides that tax on notes or other obligations secured by a mortgage or other lien upon Florida real property that is executed in conjunction with the sale by a developer of a timeshare interest in a timeshare plan is due on the earlier of the date on which:

the mortgage or other lien is recorded; or

all of the conditions precedent to the release of the purchaser's escrowed funds or other property pursuant to s. 721.08(2)(c), F.S., have been met.

When moneys are designated on a closing statement as tax collected from the purchaser and there is no recorded mortgage or lien, tax is to be paid to Department of Revenue on the 20th day of the month following the month in which funds are available for release from escrow, unless the moneys are refunded to the purchaser before that date.

References: Chapters 199, 201, 607, 608, and 620, Florida Statutes; Chapters 2005-267 and 2005-280, Laws of Florida

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 Taxpayer Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

Persons with hearing or speech impairments may 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, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.