

TAX: intangible tax

ISSUE: exempt the intangible tax for individual filers with total income < \$14.5k and joint filers < \$29.0k

BILL NUMBER(S): SB 1676

SPONSOR(S): Senator Campbell

EFFECTIVE DATE: January 1, 2002 & July 1, 2003

DATE OF ANALYSIS: February 6, 2002

SECTION 1: NARRATIVE

a. Current Law:

Under s. 199.185(2), F.S., every individual is granted an exemption of \$20,000 on the intangible tax. A husband and wife filing a joint return are entitled to claim a \$40,000. The tax rate is 1 mill and the minimum payment is \$60.

b. Proposed Change:

Exempts natural persons whose household total gross income is less than \$14,500 or joint filers with household total gross income less than \$29,000, retroactively to January 1, 2002.

Phase out such exemption effective July 1, 2003.

Effective July 1, 2003, increase the exemption for individual filers from \$20k to \$250k, joint filers from \$40k to \$500k, and \$250k exemption also applies to non-natural persons (business filers).

SECTION 2: DESCRIPTION OF DATA & SOURCES

Florida DOR 1999 intangible tax data, IRS 1999 income tax returns
10/2001 REC S & P Common Stock Price Index

SECTION 3: ASSUMPTIONS & RATIONALE

Cash = 86.9% (\$629.5/\$724.4) [(Feb-June)/FY total]

SECTION 4: METHODOLOGY

SECTION 5: IMPACT SUMMARY (DETAILS ATTACHED)

No annualized impact

State Impact - All Funds	FY 2001-02 Cash	FY 2002-03 Cash	FY 2003-04 Cash
High			
Middle	-\$10.6m	-\$12.9m	-\$1.7m
Low			

Consensus Estimate Adopted: 2/8/02	FY 2001-02 Cash	FY 2002-03 Cash	FY 2003-04 Cash
General Revenue	(10.6)	(12.9)	(1.7)
Total State Impact			
Total Local Impact			
Total Impact	(10.6)	(12.9)	(1.7)

1999 IRS and 1999 intangible tax data

individual filers with total income lt \$14,500 and the intangible tax gt \$60 (20k & 1m)
total income level

	# returns	total income	total asset	tax due
< 0	1,422	-\$140,485,948	\$691,756,236	\$663,316
\$0	17	\$0	\$16,474,692	\$16,135
0-\$5k	3,942	\$11,712,562	\$856,878,022	\$778,038
5k-10k	10,156	\$79,507,373	\$2,033,545,723	\$1,830,426
10k-14.5k	13,729	\$168,863,347	\$2,762,642,467	\$2,488,062
total	29,266	\$119,597,334	\$6,361,297,140	\$5,775,977

joint filers with total income lt \$29,000 and the intangible tax gt \$60 (40k & 1m)

< 0	1,138	-\$252,566,017	\$1,130,525,492	\$1,085,005
\$0	3	\$0	\$804,539	\$685
0-\$5k	716	\$2,110,641	\$178,463,827	\$149,824
5k-10k	1,834	\$14,500,267	\$445,031,706	\$371,672
10k-14.5k	3,639	\$45,614,555	\$821,363,726	\$675,804
14.5k-20k	7,624	\$132,428,076	\$2,048,738,121	\$1,743,778
20k-25k	7,931	\$178,070,691	\$1,961,087,088	\$1,643,847
25k-29k	5,730	\$154,631,478	\$1,504,716,124	\$1,275,516
total	28,615	\$274,789,691	\$8,090,730,623	\$6,946,131
total	57,881	\$394,387,025	\$14,452,027,763	\$12,722,108

10/01 REC S & P Common Stock Price Index

	half growth rate		cash
FY 1999	1,199		\$12,722,108
FY 2000	1,395		
FY 2001	1,337		
FY 2002	1,100	-4.12%	\$12,198,240 \$10,600,270
FY 2003	1,241	6.39%	\$12,977,196 \$12,875,153
FY 2004	1,295	2.20%	\$1,700,013

note: 86.9% and 13.1% split