

**TAX:** Documentary Stamp Tax  
**ISSUE:** FEDERAL GOVERNMENT FARM LOANS  
**BILL NUMBER(S):** SB 1386  
**SPONSOR(S):** SEN. PEADEN  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** upon becoming law  
**DATE OF ANALYSIS:** 2/9/04

**SECTION 1: NARRATIVE**

**a. Current Law:**

Section 201.08(1)(a) F.S. establishes a tax of 35mils on promissory notes, nonnegotiable notes, written obligations to pay made, executed, delivered, sold, transferred, or assigned in the state, capped at \$2,450 per document.  
 Section 201.08(1)(b) establishes a tax of 35mils on mortgages, trust deeds, security agreements, or other evidences of indebtedness filed or recorded in Florida, without a cap.  
 Section 201.08(1)(b) establishes that in cases where there is both a mortgage, trust deed, or security agreement **and** a note, certificate of indebtedness, or obligation, the tax shall be paid on the mortgage, trust deed, or security agreement and a notation shall be made on the note, certificate of indebtedness, or obligation that the tax has been paid on the mortgage, trust deed, or security agreement

**b. Proposed Change:**

Amends Section 201.08(3) to provide for an exemption from this tax for notes or written obligations to pay money executed by Florida agricultural producers to the USDA's Commodity Credit Corporation and for mortgages, liens, or other security instruments that arise from or are given as security for such notes or written obligations.

**SECTION 2: DESCRIPTION OF DATA & SOURCES**

State of Florida Loan Summary Reports - USDA, Florida State Farm Service Agency - [www.fsa.usda.gov/pscad](http://www.fsa.usda.gov/pscad)

**SECTION 3: ASSUMPTIONS & RATIONALE**

1. The intent of the Farm Service Agency is to place a security interest on each loan collateral either through
  - a lien filed with the Clerk of Court to notify the public of the lender's interest in the property
  - UCC 1 form filed with the Secretary of State - with language modified so as to constitute a lien
2. The level of loans remains in the \$100m to \$130m range experienced over the past four years.
3. The bill is assumed to become law on July 1, 2004.

**SECTION 4: METHODOLOGY**

see attached spreadsheet

**SECTION 5: IMPACT SUMMARY (DETAILS ATTACHED)**

State Impact - All Funds	FY 2004-2005 Annualized	FY 2004-2005 Cash	FY 2005-2006 Cash
High	(\$0.450m)	(\$0.413m)	(\$0.450m)
Middle	(\$0.425m)	(\$0.390m)	(\$0.425m)
Low	(\$0.400m)	(\$0.367m)	(\$0.400m)

Consensus Estimate Adopted: 2/12/04	FY 2004-2005 Annualized	FY 2004-2005 Cash	FY 2005-2006 Cash
General Revenue	(.3)	(.3)	(.3)
State Trust	(.1)	(.1)	(.1)
Total State Impact.	(.4)	(.4)	(.4)
Local Tax Impact	0	0	0
Total Impact	(.4)	(.4)	(.4)

**Federal Government Farm Loans  
Florida**

Year	Total Loans		Cane Sugar			All Else			Doc Stamp Tax @ 35mil \$\$\$
	#	\$ m	#	\$ m	Avg \$	#	\$ m	Avg \$	
1999	114	184.7	15	182.1	12,140,000	99	2.6	26,263	646,450
2000	141	115.1	11	111.8	10,163,636	130	3.3	25,385	402,850
2001	293	129.7	14	122.5	8,750,000	279	7.2	25,806	453,950
2002	1,365	106.0	12	89.0	7,416,667	1,353	17.0	12,565	371,000
2003	1,244	127.2	10	82.6	8,260,000	1,234	44.6	36,143	445,200