

REVENUE ESTIMATING CONFERENCE

TAX: DOCUMENTARY STAMPS

ISSUE: Inter-spousal Transfer of Real Property

BILL NUMBER(S): HB 647 Amendment

SPONSOR(S): Representative Hudson

MONTH/YEAR COLLECTION IMPACT BEGINS: Upon becoming law

DATE OF ANALYSIS: 03/20/08

SECTION 1: NARRATIVE

a. Current Law: Section 201.02(1), F.S., imposes documentary stamp tax on deeds and other instruments that convey an interest in Florida real property. The tax is based on the consideration paid or given for the property interest conveyed. Subsections 201.02(5) through (10), F.S., provide tax exemptions for certain documents and transactions.

b. Proposed Change: Provide an exemption for instruments that transfer or convey homestead Florida real property between spouses where the only consideration for the conveyance is the amount of any mortgages encumbering the property being conveyed. The transfer must occur within one year of date of marriage.

Section 2: Description of Data and Sources

Census data 2007

Florida Provisional Marriage Data 2007

Consumer Expenditure Survey 2006

HUD Historical data

REC Demographic Estimating Conference Feb 2008 Population Growth Rates

12B-4.013 FAC

Section 3: Methodology (Include assumptions and attach details)

Assume value of homes is house affordability which is three times income.

Assume loan-to-value ratio is 79% for less than 25 years of age and applied amortization to determine mortgage value at each age group.

Assume only one house brought into a marriage.

Used male data for householder ownership rates.

Assume high 5%, middle 1% and low 0.5% add spouse to deed (based on discussions with house staff).

Section 4: Proposed Fiscal Impact

State Impact—All Funds	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
High	(\$1.75m)	(\$3.50m)	(\$1.77m)
Middle	(\$.35m)	(\$0.70m)	(\$0.35m)
Low	(\$.17m)	(\$0.34m)	(\$0.18m)

State Impact—All Funds	FY 2010-11 Cash	FY 2011-12 Cash
High	(\$1.80m)	(\$1.83m)
Middle	(\$0.36m)	(\$0.37m)
Low	(\$0.18m)	(\$0.18m)

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SECTION 5: CONSENSUS ESTIMATE (ADOPTED 4 / 4 / 08) The conference adopted the middle estimate.

	FY 2008-09 Annualized	FY 2008-09 Cash	FY 2009-10 Cash
General Revenue	(.1)	(.2)	(.4)
State Trust	(.3)	(.5)	(Insignificant)
Total State Impact	(.4)	(.7)	(.4)
Total Local Impact			
Total Impact	(.4)	(.7)	(.4)

	FY 2010-11 Cash	FY 2011-12 Cash
General Revenue	(.4)	(.4)
State Trust	(Insignificant)	(Insignificant)
Total State Impact	(.4)	(.4)
Total Local Impact		
Total Impact	(.4)	(.4)

	A	B	C	D	E	F	G	H	I
1	2007	Census data	Florida Provisional Marriage Data - 2007		Consumer Expenditure Survey Income 2006	HUD historical data 2006			
2		Homeownership rates for the United States by Age of Householder and Family Status (Single male householder) 2007	Marriages by grooms age	Homes brought into a marriage	Value of Homes per age group (2007 income x3)	Half of Mortgage Value (using loan to value ratio)	Total Deeds on mortgages (\$)	Doc stamp tax collected from deeds on mortgages \$.70/\$100 (87.24%)	Remaining Loan as a % of Value
3	Less than 25 years	24%	27,316	11,538	\$ 90,832	\$ 35,879	\$ 413,977,737	\$ 2,528,079	79%
4	25 to 29 years.....	32%	33,884	18,031	\$ 178,832	\$ 68,798	\$ 1,240,508,718	\$ 7,575,539	77%
5	30 to 34 years.....	39%	25,410	15,831	\$ 178,832	\$ 63,139	\$ 999,519,664	\$ 6,103,867	71%
6	35 to 39 years.....	47%	19,616	14,043	\$ 236,366	\$ 73,442	\$ 1,031,366,555	\$ 6,298,349	62%
7	40 to 44 years.....	52%	15,136	11,649	\$ 236,366	\$ 60,046	\$ 699,459,064	\$ 4,271,457	51%
8	45 to 49 years.....	56%	11,749	9,505	\$ 240,836	\$ 42,917	\$ 407,934,898	\$ 2,491,177	36%
9	50 to 54 years.....	61%	8,088	6,832	\$ 240,836	\$ 18,473	\$ 126,219,093	\$ 770,795	15%
10	55 to 59 years.....	62%	5,341	4,553	\$ 201,393	\$ 10,596	\$ 48,246,459	\$ 294,631	11%
11	60 to 64 years.....	65%	3,471	3,053	\$ 201,393	\$ 5,452	\$ 16,645,625	\$ 101,652	5%
12	65 to 69 years.....	64%	1,983	1,726	\$ 143,996	\$ -	\$ -	\$ -	0%
13	70 to 74 years.....	69%	1,157	1,045	\$ 143,996	\$ -	\$ -	\$ -	0%
14	75 years and over..	74%	1,515	1,410	\$ 118,732	\$ -	\$ -	\$ -	
15	Total		154,666	99,218			\$4,983,877,813	\$30,435,545	
16	FY 06/07 Doc stamp data								
17	Doc stamp tax collected from deeds on mortgages \$.60/\$100 (12.76%)	Total Doc Stamp Tax Collected							
18	\$ 316,941	\$ 2,845,021							
19	\$ 949,733	\$ 8,525,272							
20	\$ 765,232	\$ 6,869,099							
21	\$ 789,614	\$ 7,087,964							
22	\$ 535,506	\$ 4,806,962							
23	\$ 312,315	\$ 2,803,492							
24	\$ 96,633	\$ 867,428							
25	\$ 36,937	\$ 331,569							
26	\$ 12,744	\$ 114,395							
27	\$ -	\$ -							
28	\$ -	\$ -							
29	\$ -	\$ -							
30	\$ 3,815,657	\$ 34,251,202							

		Total Impact (calendar)			
		2007	\$	34,251,202	
		Population Growth Rates			
		FY07-08		0.89%	
		FY08-09		1.16%	
		FY09-10		1.39%	
		FY10-11		1.75%	
		FY11-12		1.73%	
		Total Fiscal Impact			
		FY07-08	\$	34,556,038	
		FY08-09	\$	34,956,888	
		FY09-10	\$	35,442,788	
		FY10-11	\$	36,063,037	
		FY11-12	\$	36,686,928	

	C	D	E	F	G
40	Fiscal Impact				
41		<u>100.0%</u>	<u>0.5%</u>	<u>1.0%</u>	<u>5.0%</u>
42	FY08-09 Cash	\$ 69,913,775	\$ 349,569	\$ 699,138	\$ 3,495,689
43	FY08-09	\$ 34,956,888	\$ 174,784	\$ 349,569	\$ 1,747,844
44	FY09-10	\$ 35,442,788	\$ 177,214	\$ 354,428	\$ 1,772,139
45	FY10-11	\$ 36,063,037	\$ 180,315	\$ 360,630	\$ 1,803,152
46	FY11-12	\$ 36,686,928	\$ 183,435	\$ 366,869	\$ 1,834,346