

REVENUE ESTIMATING CONFERENCE

TAX: Documentary Stamp Tax

ISSUE: Short Sales

BILL NUMBER(S): SB 234, HB 109, CS/HB7157

SPONSOR(S): Senator Ring, Representative Jenne

MONTH/YEAR COLLECTION IMPACT BEGINS: July 1st, 2010

DATE OF ANALYSIS: February 11th, 2010

SECTION 1: NARRATIVE

a. Current Law: Subsection 201.02(1) F.F., imposes documentary stamp tax on deeds and other instruments that transfer an interest in Florida real property. The tax is based on the consideration paid or given for the property interest transferred. Consideration includes money paid, or to be paid the amount of any indebtedness forgiven, the value of any property exchanged, and the balance of any mortgage encumbering the property at the time of transfer.

b. Proposed Change: A document that transfers real property pursuant to a short sale is taxable. The consideration for a short sale does not include unpaid indebtedness encumbering the property that is forgiven or released by a mortgagee. Defines short sale as a purchase and sale in which all of the following apply:

- The grantor’s interest in the real property is encumbered by a mortgage or mortgages securing indebtedness in an aggregate amount greater than the purchase price paid by the grantee.
- A mortgagee releases the real property from its mortgage in exchange for a partial payment of less than the total of the outstanding mortgage indebtedness.
- A direct or indirect interest in the property is not received by the releasing mortgagee
- The releasing mortgagee, grantor and grantee are dealing with each other at arm’s length

Effective date July 1st, 2010

SECTION 2: DESCRIPTION OF DATA AND SOURCES

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

Bill language codifies current administration; therefore the impact is \$0.

SECTION 4: PROPOSED FISCAL IMPACT

State Impact: All Funds	FY 2010-11 Cash	FY 2010-11 Annualized	FY 2011-12 Cash	FY 2012-13 Cash	FY 2013-14 Cash
High					
Middle	\$0	\$0	\$0	\$0	\$0
Low					

SECTION 5: CONSENSUS ESTIMATE (ADOPTED)

	FY 2010-11 Cash	FY 2010-11 Annualized	FY 2011-12 Cash	FY 2012-13 Cash	FY 2013-14 Cash
General Revenue	0	0	0	0	0
State Trust	0	0	0	0	0
Total State Impact	0	0	0	0	0
Total Local Impact	0	0	0	0	0
Total Impact	0	0	0	0	0