

**Florida Department of Revenue  
Tax Information Publication**

**TIP 04C02-01  
Date Mar 15, 2004**

**NOTE: This document supplements Tax Information Publication 01C02-02, dated December 31, 2001.**

**EXEMPTIONS FOR INTANGIBLE TAX HAVE BEEN INCREASED**

Effective July 1, 2003, applicable to the 2004 filing season, every individual filing an intangible tax return will be entitled each year to an exemption of the first \$250,000 of the value of property subject to the annual tax. A husband and wife filing jointly will be entitled to an exemption of \$500,000.

Also, every taxpayer that is not a natural person (corporations, partnerships, etc.) will be entitled to an exemption of the first \$250,000 of the value of property otherwise subject to the tax.

A person filing on behalf of another person, other than guardians and custodians under a gifts-to-minors act, cannot claim this exemption.

Section 199.185(2), Florida Statutes (F.S.), states in part that "Agents and fiduciaries, other than guardians and custodians under a gifts-to-minors act, filing as such may not claim this exemption on behalf of their principals or beneficiaries...."

Section 199.057, F.S., allows a corporation to elect to pay the annual tax on any class of its stock, as agent for its Florida stockholders. The section goes on to state that once the election has been made, it may not be amended or revoked for the tax year in which the election is made.

Because the statutory language uses the word "as agent", confusion about the availability of the \$250,000 exemption for a corporation paying the annual intangible tax for its Florida

stockholders has arisen. As stated above, Section 199.057(3), F.S., makes the election to file as agent binding on the corporation once it is made. Since the election is binding on the corporation, the individual shareholders are no longer liable for the annual intangible tax on those shares of corporate stock covered by the election. Only the corporation has a liability for the annual tax on those shares of its stock covered by the election. The exemption is only for the tax liability of the taxpayer filing the return. Therefore, when paying as agent for shareholders, the corporation is the only party liable for the tax on those shares of stock covered by the election and may claim the exemption, but only once, against all intangible taxes owed by the corporation.

References: Chapter 2001-371, Laws of Florida; Sections 199.057 and 199.185(2), Florida Statutes.

#### **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](http://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.

Hearing- or speech-impaired persons should 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.

To receive a fax copy of a form, call 850-922-3676 from your fax machine telephone.