

Florida Department Of Revenue
Tax Information Publication

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Changes Affecting Documentary Stamp Tax And Non-Recurring
Intangible Tax

Documentary Stamp Tax

Effective June 8, 1999, a limited partnership can be converted to a general partnership without incurring documentary stamp tax on the deed that transfers the real property.

Florida law, under s. 620.8904, F.S., authorizes the conversion of a limited partnership to a general partnership. When this conversion takes effect, the law requires the title to all real property to be transferred by deed to the converted entity. Since the converted entity is for all purposes the same entity that existed before the conversion, the property is not treated as being transferred from one entity to a different entity.

A similar provision under s. 620.8902, F.S., which has been in effect since January 1, 1996, allows for the conversion of a general partnership to a limited partnership without incurring documentary stamp tax on the deed which transfers the real property, since the converted entity is for all purposes the same entity that existed prior to the conversion.

Effective October 1, 1999, certain entities defined in s. 608.439(1), F.S., may convert to a domestic limited liability company. These entities include a business trust or association, a real estate investment trust, a common-law trust, or any other unincorporated business, including a partnership, whether general or limited, or a foreign limited liability company. When the conversion becomes effective, s. 608.439(6), F.S., provides that any real property owned by the entity being converted to the domestic limited liability company is transferred by operation of law without requiring the recording of a deed evidencing the transfer. Therefore, no documentary

stamp tax would be due upon such a conversion.

All requirements under the applicable statutes must be met for the conversion to be exempt from documentary stamp tax.

Non-Recurring Intangible Tax

Effective July 1, 1999, non-recurring intangible tax must be paid on the maximum amount of all lines of credit secured by a lien on Florida real property, rather than on each advance. This is in addition to the documentary stamp tax imposed on the maximum amount of the line of credit.

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 more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

For forms and other information, visit our Web site at <http://sun6.dms.state.fl.us/dor/>.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676, twenty-four hours a day, seven days a week, using your fax machine handset and follow the instructions.

References:

Ch. 99-274, L.O.F.

Ch. 99-285, L.O.F.

Ch. 99-315, L.O.F.

s. 199.143, F.S.