

**Bulletin: PTA-06-15**

**From: James McAdams**

**Date: September 8, 2006**

**To: Property Appraisers**

**Tax Collectors**

**FLORIDA DEPARTMENT OF REVENUE  
PROPERTY TAX INFORMATIONAL BULLETIN**

**INTANGIBLE PERSONAL PROPERTY TAX;  
REPEAL**

The 2006 Legislature enacted Chapter 2006-312, Laws of Florida, effective January 1, 2007 (See HB 209). This law repeals the statute governing governmental leaseholds, Chapter 199, Florida Statutes. With the repeal of Chapter 199, Florida Statutes, section 199.023(1) defining leaseholds and other possessory interests in lands owned by governmental units as being only an intangible is repealed.

However, this new law also amends s. 196.199(2)(b), F.S., to provide that a leasehold or other possessory interest in lands owned by a governmental shall continue to be taxed as an intangible in accordance with the 2005 Chapter 199, Florida Statutes, as it existed prior to the 2006 repeal mentioned above.

The law specifically revised section 199.196(2)(b), Florida Statutes, as follows (words bolded are deletions; words underlined are additions):

196.199 Government property exemption.-

(2) Property owned by the following governmental units but used by nongovernmental lessees shall only be exempt from taxation under the following conditions:

(b) Except as provided in paragraph (c), the exemption provided by this subsection shall not apply to those portions of a leasehold or other interest defined by s. 199.023(1)(d), Florida Statutes 2005, subject to the provisions of subsection (7). Such leasehold or other interest shall be taxed only as intangible personal property pursuant to chapter 199, Florida Statutes 2005, if rental payments are due in consideration of such leasehold or other interest. All applicable collection, administration, and enforcement provisions of chapter 199, Florida Statutes 2005, shall apply to taxation of such leaseholds. If no rental payments are due pursuant to the agreement creating such leasehold or other interest, the leasehold or other interest shall be taxed as real property. Nothing in this paragraph shall be deemed to exempt personal property, buildings, or other real property improvements owned by the lessee from ad valorem taxation.

This information is provided by the Department of Revenue to advise interested parties of legislative action taken during the 2006 session. If you have questions with regard to this matter and wish to discuss them, you may call Kathy Henley at 850-922-7952.

