

# CHAPTER 98-187

## House Bill No. 4373

An act relating to the excise tax on documents; amending s. 201.09, F.S.; prescribing liability for the tax when a renewal note increases the unpaid balance or the original face amount of an original contract and obligation; providing that s. 3, ch. 97-123, Laws of Florida, which exempts from tax a renewal note evidencing a revolving obligation which does not increase the original face amount of the original contract and obligation, applies retroactively to certain renewal notes; providing effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (1) of section 201.09, Florida Statutes, is amended to read:

201.09 Renewal of existing promissory notes and mortgages; exemption.—

(1) When any promissory note is given in renewal of any existing promissory note, which renewal note only extends or continues the identical contractual obligations of the original promissory note and evidences part or all of the original indebtedness evidenced thereby, not including any accumulated interest thereon and without enlargement in any way of the original contract and obligation, such renewal note shall not be subject to taxation under this chapter if such renewal note has attached to it the original promissory note with the proper notation thereon as required by s. 201.133. In order to be exempt from taxation under this section, a renewal note evidencing a term obligation shall not be executed by any person other than the original obligor and must renew and extend only the unpaid balance of the original contract and obligation. In order to be exempt from taxation under this section, a renewal note evidencing a revolving obligation shall not be executed by any person other than the original obligor and must renew and extend no more than the original face amount of the original contract and obligation. A renewal note evidencing a term obligation which increases the unpaid balance of the original contract and obligation but which otherwise meets the exemption criteria of this section is taxable only on the face amount of the increase. A renewal note evidencing a revolving obligation which increases the original face amount of the original contract and obligation but which otherwise meets the exemption criteria of this section is taxable only on the amount of the increase.

Section 2. (1) Section 3 of chapter 97-123, Laws of Florida, applies retroactively to the renewal of any promissory note evidencing a revolving obligation executed on or after January 1, 1990, for which the tax under s. 201.09, Florida Statutes, has not been paid and which is the subject of a pending protest that was initiated prior to January 1, 1998.

(2) This section shall take effect upon this act becoming a law.

Section 3. Except as otherwise provided herein, this act shall take effect July 1 of the year in which enacted.

Became a law without the Governor's approval May 23, 1998.

Filed in Office Secretary of State May 22, 1998.