



Governmental Leasehold Intangible Personal Property Tax Return For 2007 Tax Year

DR-601G
R. 01/07



Handwritten Example									Typed Example										
0	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6	7	8	9

Use black ink.

Mail return and check payable to:
FLORIDA DEPARTMENT OF REVENUE
5050 W TENNESSEE ST
TALLAHASSEE FL 32399-0100

The Florida Legislature has provided that all leasehold estates, or any possessory interest created thereby, in property of the United States, the State of Florida, or any of its political subdivisions, municipalities, agencies, authorities, or other governmental units, are to be taxed as intangible personal property if the leased property is undeveloped or predominately used for a residential or commercial purpose, and rental payments are due in consideration of the leasehold estate or possessory interest. Lessees of governmentally owned property are required to file an annual intangible tax return, unless the leasehold estate qualifies for specific exemptions, beginning with the 1984 tax year.

If the calculated tax due is less than sixty dollars (\$60), no payment is required. However, the taxpayer should file this return without payment to avoid possible future contact regarding this filing period.

Our records are computerized and all information is maintained by account number. Your account number is your Social Security Number (SSN) or Federal Employer Identification Number (FEIN). Please refer to these numbers in all correspondence. Show your correct number on your return. Authority to require a Social Security Number is found in Chapter 12C-2 (formerly 12B-2), Florida Administrative Code.

HOW TO COMPUTE THE TAX

- Line 1 **Annual Rental Payment** — To compute the value of your leasehold estate, determine the amount of annual market rent for the property and enter the amount on Line 1.
- Line 2 **Valuation Factor** — Enter on Line 2 the valuation factor for the years remaining on the lease, from the Valuation Factor Table found on Page 4.
- Line 3 **Taxable Amount** — Multiply the annual rental payment on Line 1 by the valuation factor on Line 2 and enter the result on Line 3.
- Line 4 **Tax Due** — Multiply the amount on Line 3 by .0005 (\$.50 tax for each \$1,000 value) and enter the result on Line 4. If Line 4 is less than \$60, no payment is due.
- Line 5 **Discount** — You may claim a discount for early payment. Consult the chart under the FILING DATE section on Page 3.
- Line 6 **Penalty and Interest** (refer to details on Page 3) —
 - Line 6a. For returns filed after the due date, enter penalty amount due with the tax payment for delinquency and late-filing penalties.
 - Line 6b. For taxes paid after the due date, enter interest due with the late-filed tax payment.
 Total the amounts on Line 6a and Line 6b and enter the sum on Line 6.
- Line 7 **Total Payment Due** — For returns filed on or before the due date, subtract Line 5 from Line 4 and enter the result on Line 7. For returns filed after the due date, add Line 4 plus Line 6 and enter the result on Line 7.
- Line 8 **Less Amount Paid with Extension** — Enter any amount paid with an extension on Line 8.
- Line 9 **Payment Due** — Subtract amount on Line 8 from Line 7 and enter result on Line 9.

DO NOT DETACH COUPON

Governmental Leasehold Intangible Personal Property Tax Return

HD/PM Date: / /

US DOLLARS

DR-601G
R. 01/07

FEIN									
SSN (if no FEIN)									

Name
Address
City/St/ZIP

1. Annual Rental Payment										
2. Valuation Factor										
3. Taxable Amount										
4. Tax Due (Tax Rate = .0005)										
5. Discount See Instructions Above										
6. Penalty and Interest	Enter total penalties and interest below.									
a. Penalty \$										
b. Interest \$										
7. Total Due										
8. Less Amount Paid with Extension										
9. Payment Due										

I hereby certify that this return has been examined by me and to the best of my knowledge is a true and correct return.

Signature of taxpayer _____ Date _____

Title _____ Phone number (include area code) _____

Taxpayer Name: _____

County Property Identification Number: _____

County Where Property Located: _____

Telephone Number: (_____) _____
Area Code

Governmental Leasehold Tax Year: 2007

FEIN
□□□-□□□□□□□□

SSN (if no FEIN):
□□□□-□□-□□□□□□

Schedule A

Factors for valuation of each leasehold estate. Complete this supplemental schedule and mail with your return.

1. a. Name the governmental unit owning the property. _____
 b. To what governmental agency is the consideration or "rent" paid? _____
 c. Physical location of governmental property occupied (street, city, ZIP). _____
2. What is the legal description of the property? _____
3. a. Describe the property occupied. _____
 b. Describe the improvements belonging to the governmental unit. _____
4. a. Have you made improvements to this property? () yes () no
 b. Describe those improvements. _____
 c. Do your improvements become the property of the governmental unit owning the location? () yes () no
5. a. Describe your use of this property or the type of activity conducted at this location, and the number of years you have been at this location. _____
 b. How long do you intend to occupy the property? _____
6. a. Is there a written agreement between you and the governmental unit owning the property? () yes () no
 b. Is this agreement recorded in the official records of the county? () yes () no
 c. If so, what is the official record book and page number where recorded? _____
7. a. What is the term of your lease (in years)? _____
 b. How many years remaining as of January 1 of this tax year? _____
8. What is the amount actually paid for the privilege of using this property? _____
9. What is the basis for determining the amount of the rent stated in your lease agreement? _____
10. Is this consideration or "rent" paid weekly, monthly, yearly, or other? _____
11. Does the rent include payments for improvements? () yes () no
12. a. Do you file a tangible personal property tax return with the county property appraiser? () yes () no
 b. What county(ies)? _____
13. What is your estimate of the value of improvements you have made to this property? \$ _____
14. a. Does the governmental entity that owns the property share in the profit as a form of rent? () yes () no
 b. If so, what is the basis or formula used to determine the percentage or amount payable to the governmental unit? _____

Location address (if different than mailing address):

Street Address _____

City _____ State _____ ZIP _____ County _____

Telephone Number: (_____) _____

Indicate changes to mailing address below:

Name _____

Street Address _____

City _____ State _____ ZIP _____ County _____

Telephone Number: (_____) _____

Instructions

GENERAL INFORMATION

Florida law classifies a lessee's interest in property leased from a governmental unit as intangible property, where the lessee makes rental payments in consideration of the leasehold estate or possessory interest, whether the leased property is undeveloped or is used for a residential or a commercial purpose.

Nominal or token payments, such as \$1 or \$10 per year, are not considered rental payments for determining the taxation of the lessee's estate as intangible property.

A leasehold interest created by an original lease for 100 years or more, regardless of renewal options, is considered as creating an ownership right in the leased property and the property will not be classified as intangible property. Property financed, acquired or maintained using funds resulting from the issuance of bonds by Florida industrial development authorities or research and development authorities under Parts II, III, or V of Chapter 159, Florida Statutes, is considered to be owned and the lessee's interest is not classified as intangible property.

A lessee of governmental property will be exempt from annual intangible tax, provided the lease contract requires that the lessee provide space on the leasehold estate for use by a governmental entity. The provision applies retroactively, but does not open any closed period for refund.

Lessees leasing property **classified as agricultural land or land used exclusively for noncommercial public recreational purposes**, or leasing property used for a public purpose or function, and lessees qualified as an organization which uses the property for literary, scientific, religious or charitable purposes, are not subject to intangible tax on their leasehold interest.

If no rental payments are due under the agreement creating a leasehold estate, the leasehold estate is taxed as real property, not as intangible property. Personal property, buildings or other real property improvements owned by a lessee are assessed under Ad Valorem tax provisions, not as intangible property.

Taxpayers with more than one lease MUST FILE a separate return for each location.

WHO MUST FILE

Every lessee of governmental property used for a residential or commercial purpose, or that is undeveloped, is subject to the intangible tax each year on the value of the leasehold estate on January 1 of each tax year, if rental payments are due in consideration for the leasehold estate.

If the 1/2 mill (\$.50 per \$1000 value) annual tax levy on the value of the leasehold estate results in a tax of sixty dollars (\$60) or more, the lessee is required to file this return (Form DR-601G) and pay the tax.

If the tax due is less than sixty dollars (\$60), the taxpayer should file this return without payment of the tax to avoid unnecessary contact by the Department of Revenue.

Taxpayers are not entitled to the exemption for the governmental leasehold intangible personal property tax.

FILING DATE

The Governmental Leasehold Intangible Personal Property Tax Return (Form DR-601G) covering the leasehold estate is due January 1 and late after June 30. Returns not filed and taxes not paid by this date are delinquent. The date of postmark or date delivered to the Department is considered the date of payment.

A discount may be claimed for early filing provided payment is postmarked on or before the last day of the month of one of the following filing periods:

Discount Periods	Discount	If Submitted or Postmarked on or before
January - February	4%	Wednesday, February 28, 2007
March	3%	Saturday, March 31, 2007
April	2%	Monday, April 30, 2007
May	1%	Thursday, May 31, 2007
June	0%	No Discount Available

Example: \$64.33 (tax) X .04 (January discount) = \$ 2.57 (discount allowed)

EXTENSION OF TIME

A request for an extension of time for filing may be submitted for review. Form DR-602 must be received by the Department on or before June 30 of the tax year.

PENALTY

The return, with full payment of tax, must be postmarked **no later than** June 30 of the applicable tax year to avoid penalty. If June 30 falls on a Saturday, Sunday, or a legal state or federal holiday and the return is postmarked or delivered to the Department on the next workday, it is considered timely.

Delinquency penalty is assessed on tax not paid by June 30. The penalty rate is 10% per month or portion of a month, not to exceed a maximum of 50% of the tax due.

Specific late filing penalty is assessed on tax returns postmarked after June 30. The penalty rate is 10% per month or portion of a month until the return is filed, not to exceed a maximum of 50% of the tax due.

The combined total of the delinquency penalty and specific late filing penalty will not exceed 10% per month or portion of a month, not to exceed a maximum of 50% of the tax due.

INTEREST

Interest is due on the amount of tax not paid by June 30. A floating rate of interest applies to underpayments and late payments of tax. The rate will be updated January 1 and July 1 of each year by using the formula established in s. 213.235, F.S. To obtain interest rates, contact the Department.

OVERPAYMENTS OF TAX

If you have overpaid your tax and want a refund of the overpayment, you must submit an Application for Refund (Form DR-26). The Department cannot process your refund claim without this form. Filing an amended return does not qualify as a claim for refund.

If you have any questions, please call the Refund Subprocess at 850-488-8937 or write to: Florida Department of Revenue, Refund Subprocess, P.O. Box 6470, Tallahassee, FL 32314-6470.

**Tax information and forms are available online at: www.myflorida.com/dor
For assistance, call Taxpayer Services, Monday - Friday, 8 a.m. - 7 p.m., ET, at 800-352-3671
or 850-488-6800. From the option menu, select *Information on Taxes or Forms*.**

OVERPAYMENTS OF TAX *(continued)*

Taxes paid prior to October 1, 1994, are barred from refund by a three (3) year statute of limitation. For taxes paid on or after October 1, 1994, but before July 1, 1999, the limitation for claiming a refund is extended to five (5) years. For taxes paid on or after July 1, 1999, the limitation for claiming a refund is three (3) years from the date the tax is paid.

AMENDED RETURNS/UNDERPAYMENTS OF TAX

If you discover that intangible property was undervalued on, or omitted from, your tax return, you should file an amended return. The amended return is to be completed in its entirety, as if it was an original filing. Pay only the additional tax due. If the return is postmarked after June 30, you will be subject to penalty and interest. Explain by separate letter, attached to the amended return, whether the property was undervalued or omitted.

VALUATION OF LEASEHOLD ESTATE

The just value of a lessee's leasehold estate or possessory interest to be reported on the return is determined by the rent payments for the remaining term of the lease, at the Federal Reserve - Atlanta - discount rate on the last business day of the previous year, plus one (1) percent.

Nominal or token payments are not used to value the lessee's interest. In such cases, the fair market rental for the leased property is the amount to be valued. If lease rental payments are based on some factor, such as a percentage of sales or profits, the average annual rental actually paid for a period not to exceed the previous five years should be used, provided the amount is not nominal or significantly less than fair market rental. If the average amount is a nominal or token amount, the lease rental payment to be valued shall be the fair market rental for the property. Market rent is the amount which would be paid annually for use of a property in the open market, as indicated by current rentals being paid for comparable property. This should be net rent to the owner or lessor after allowance for taxes, insurance or other expenses specifically itemized as part of the rental payment. Do not deduct any such payments that you as the user make.

The period for which the lease payments should be valued is the number of years remaining under the lease on January 1 of the tax year, exclusive of renewal options. The year in which the lease expires should be considered a full year for the purpose of determining the number of years remaining under the lease agreement. If, on January 1 of the tax year, less than one year remains under the lease agreement, the value is determined as if a full year remained and is then prorated for the number of months remaining under the lease agreement.

Valuation Factor Table - 2007 (7.25%)

YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR
1	0.9324	34	12.5162	67	13.6663
2	1.8018	35	12.6025	68	13.6749
3	2.6124	36	12.6830	69	13.6829
4	3.3682	37	12.7581	70	13.6903
5	4.0729	38	12.8280	71	13.6973
6	4.7300	39	12.8933	72	13.7038
7	5.3426	40	12.9541	73	13.7098
8	5.9139	41	13.0108	74	13.7154
9	6.4465	42	13.0637	75	13.7207
10	6.9431	43	13.1130	76	13.7256
11	7.4062	44	13.1590	77	13.7301
12	7.8379	45	13.2018	78	13.7344
13	8.2405	46	13.2418	79	13.7384
14	8.6158	47	13.2791	80	13.7421
15	8.9658	48	13.3138	81	13.7455
16	9.2921	49	13.3462	82	13.7487
17	9.5964	50	13.3764	83	13.7517
18	9.8801	51	13.4046	84	13.7545
19	10.1446	52	13.4309	85	13.7571
20	10.3912	53	13.4553	86	13.7596
21	10.6212	54	13.4782	87	13.7618
22	10.8356	55	13.4995	88	13.7639
23	11.0355	56	13.5193	89	13.7659
24	11.2220	57	13.5378	90	13.7678
25	11.3958	58	13.5551	91	13.7695
26	11.5578	59	13.5712	92	13.7711
27	11.7089	60	13.5862	93	13.7726
28	11.8498	61	13.6002	94	13.7739
29	11.9812	62	13.6132	95	13.7752
30	12.1037	63	13.6254	96	13.7764
31	12.2179	64	13.6367	97	13.7776
32	12.3244	65	13.6473	98	13.7786
33	12.4236	66	13.6571	99	13.7796
				100	13.7805