



Governmental Leasehold Intangible Personal Property Tax Return For 2008 Tax Year

DR-601G
R. 01/08
Page 1

Rule 12C-2.0115
Florida Administrative Code
Effective 01/08



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. Social security numbers are used by the Florida Department of Revenue as unique identifiers for the administration of Florida's taxes. Social security numbers obtained for tax administration purposes are confidential under sections 213.053 and 119.071, Florida Statutes, and not subject to disclosure as public records.

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. Also, enter the number of years remaining on the lease in the space provided.
- 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. 01/08

FEIN											
SSN (if no FEIN)											

Name
Address
City/St/ZIP

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) _____

1. Annual Rental Payment											
2. Valuation Factor Years Remaining _____											
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											

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%	Friday, February 29, 2008
March	3%	Monday, March 31, 2008
April	2%	Wednesday, April 30, 2008
May	1%	Saturday, May 31, 2008
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.
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 - 2008 (5.75%)

YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR
1	0.9456	34	14.7923	67	16.9806
2	1.8398	35	14.9337	68	17.0029
3	2.6854	36	15.0673	69	17.0240
4	3.4850	37	15.1937	70	17.0440
5	4.2412	38	15.3131	71	17.0629
6	4.9562	39	15.4261	72	17.0807
7	5.6323	40	15.5330	73	17.0976
8	6.2717	41	15.6340	74	17.1136
9	6.8763	42	15.7296	75	17.1287
10	7.4481	43	15.8199	76	17.1430
11	7.9887	44	15.9054	77	17.1565
12	8.5000	45	15.9862	78	17.1692
13	8.9834	46	16.0626	79	17.1813
14	9.4406	47	16.1348	80	17.1927
15	9.8729	48	16.2031	81	17.2035
16	10.2817	49	16.2678	82	17.2137
17	10.6683	50	16.3288	83	17.2234
18	11.0338	51	16.3866	84	17.2325
19	11.3795	52	16.4412	85	17.2412
20	11.7064	53	16.4929	86	17.2493
21	12.0155	54	16.5417	87	17.2570
22	12.3078	55	16.5879	88	17.2643
23	12.5842	56	16.6316	89	17.2712
24	12.8456	57	16.6729	90	17.2778
25	13.0927	58	16.7120	91	17.2840
26	13.3265	59	16.7489	92	17.2898
27	13.5475	60	16.7839	93	17.2953
28	13.7565	61	16.8169	94	17.3005
29	13.9541	62	16.8481	95	17.3055
30	14.1410	63	16.8777	96	17.3101
31	14.3178	64	16.9056	97	17.3145
32	14.4849	65	16.9320	98	17.3187
33	14.6429	66	16.9570	99	17.3227
				100	17.3264