



Governmental Leasehold Intangible Personal Property Tax Return For 2006 Tax Year

DR-601G R. 01/06



Handwritten Example and Typed Example boxes for identification numbers.

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.

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. 01/06

FEIN and SSN (if no FEIN) input fields.

Table with 9 rows for tax calculations and 6 columns for dollar amounts. Includes items like Annual Rental Payment, Valuation Factor, Taxable Amount, Tax Due, Discount, Penalty and Interest, Total Due, Less Amount Paid with Extension, and 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)



0100 0 20060131 0018015031 9 999999999 0000 0

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%	Tuesday, February 28, 2006
March	3%	Friday, March 31, 2006
April	2%	Sunday, April 30, 2006
May	1%	Wednesday, May 31, 2006
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 - 2006 (6.25%)

YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR	YEARS REMAINING	FACTOR
1	0.9412	34	13.9633	67	15.7245
2	1.8270	35	14.0831	68	15.7407
3	2.6607	36	14.1958	69	15.7560
4	3.4454	37	14.3020	70	15.7703
5	4.1839	38	14.4018	71	15.7838
6	4.8789	39	14.4958	72	15.7966
7	5.5331	40	14.5843	73	15.8085
8	6.1488	41	14.6676	74	15.8198
9	6.7283	42	14.7460	75	15.8304
10	7.2737	43	14.8197	76	15.8404
11	7.7870	44	14.8892	77	15.8498
12	8.2701	45	14.9545	78	15.8586
13	8.7248	46	15.0160	79	15.8669
14	9.1528	47	15.0739	80	15.8747
15	9.5555	48	15.1284	81	15.8821
16	9.9346	49	15.1796	82	15.8890
17	10.2914	50	15.2279	83	15.8956
18	10.6272	51	15.2733	84	15.9017
19	10.9433	52	15.3161	85	15.9075
20	11.2407	53	15.3563	86	15.9129
21	11.5207	54	15.3942	87	15.9181
22	11.7842	55	15.4298	88	15.9229
23	12.0322	56	15.4633	89	15.9274
24	12.2656	57	15.4949	90	15.9317
25	12.4852	58	15.5246	91	15.9357
26	12.6920	59	15.5526	92	15.9395
27	12.8866	60	15.5789	93	15.9430
28	13.0697	61	15.6037	94	15.9464
29	13.2421	62	15.6270	95	15.9495
30	13.4043	63	15.6489	96	15.9525
31	13.5570	64	15.6696	97	15.9553
32	13.7007	65	15.6890	98	15.9579
33	13.8360	66	15.7073	99	15.9604
				100	15.9627