

PROPERTY TAX RELIEF!

On January 29, 2008, voters passed Amendment No.1 which significantly changes our property tax exemptions. The Amendment provides tax relief in a number of ways.

Double Homestead Exemption

The previous \$25,000 exemption will now be \$50,000 for all homesteads valued over \$75,000. The exemption only partially applies for homes valued less than \$75,000. The new additional \$25,000 exemption does not apply to school district taxes but the old \$25,000 exemption still does.

Save-Our-Homes Portability

If you sell a homesteaded property, you have two years to transfer its Save-Our-Homes accumulated benefit to a new Florida homestead. Portability allows homestead property owners to transfer up to \$500,000 of their Save-Our-Homes benefit to their next homestead. This provision applies to all taxes.

Upsizing Portability

If the just value of the new homestead is greater than or equal to the just value of the prior homestead, you will be able to take advantage of your accumulated Save-Our-Homes benefit up to \$500,000. For example, if the just value of your current homestead is \$500,000 but your assessed value is only \$100,000, you have \$400,000 of accumulated benefit to take with you to your new homestead. If you purchase a new homestead with a just value of \$700,000, your new assessed value will be \$700,000 minus your accumulated benefit of \$400,000. This means that your new homestead will have an assessed value of \$300,000.

Downsizing Portability

If the just value of the new homestead is less than the just value of the prior homestead, you will be able to take a portion of your accumulated Save-Our-Homes benefit to your new homestead. For example, if the just value of your prior homestead was \$200,000 with an assessed value of \$80,000, you would have \$120,000 of accumulated benefit. However, when you downsize into a \$100,000 homestead you can only use a portion of your accumulated benefit, in this case \$60,000.



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As a result, your new homestead will have an assessed value of \$40,000.

Relief for Nonresidents and Commercial Property Owners

Rental home owners, second home owners and commercial property owners will also benefit. The Amendment limits their annual assessment increases to 10%. This does not apply to school district taxes. This provision shall take effect beginning January 1, 2009.

Relief for Mobile Home Owner

The Amendment provides a \$25,000 exemption from ad valorem taxation for tangible personal property. If you live in a manufactured housing community where you lease your lot, you are probably paying tangible personal property taxes on your storage rooms, carports and porches. Amendment No. 1 provides for a \$25,000 exemption for the tax on these items which may result in no tax being owed at all.

Relief for Business Owners

The first \$25,000 of tangible property such as equipment, office furniture and computers, will be tax exempt.

Implementation

All of the provisions of the Amendment are effective as of January 1, 2008, with the exception of the 10% provision mentioned above. A person who establishes a new homestead as of January 1, 2009, or any subsequent year, and who has received a homestead exemption in either of the two years immediately preceding the establishment of the new homestead is entitled to portability. With regards to portability, the Amendment will also apply to those homesteaded on January 1, 2008, however, the previous homestead must have been relinquished in 2007.

If you have any questions on how the changes will impact you, please consult with your Florida attorney.