



FLORIDA VOTERS APPROVE TAX REFORM PACKAGE

A constitutional amendment approved by Florida voters on Jan 29, 2008, brought four fundamental changes to the State's property tax system.

- The Homestead Exemption has been increased by \$25,000.
- A Portability provision has been added, allowing homeowners to transfer all or part of their 'Save Our Homes' cap when they move to a new home.
- There is now a ten percent cap on increases in the annual assessment of non-homesteaded properties.
- There is a new \$25,000 exemption on the Tangible Personal Property taxes, which businesses pay on equipment such as computers, office furniture and fixtures.

PORTABILITY

Q: What is portability?

A: Since 1994, property owners who have Homestead Exemption have had increases in their annual assessments capped at a maximum of 3% or the rate of inflation, whichever is lower. This Assessment Limitation, known as the 'Save Our Homes Cap' has resulted in significant tax savings to homeowners. The value of the cap is the difference between the market value of the property and the assessment limitation resulting from 'Save our Homes.' Under the Portability provision of the new law, homeowners can now transfer (port) up to \$500,000 of the accumulated savings to their next homesteaded property. If they buy a less expensive home, only a portion of the difference is transferable to the new home.

Q: How is it calculated?

A: To help homeowners calculate how much they can port, the Property Appraiser has provided an online portable cap calculator at http://www.miamidade.gov/pa/tax_estimator/PortCapStart.asp. Use this calculator to estimate your potential tax savings.

Q: When does "Portability" go into effect?

A: Portability went into effect for 2008. Applications are due by March 1st.

Q: If I sold my property in 2006, do I qualify for Portability?

A: No. The portable cap only applies if you sold or abandoned your homestead exemption as of 2007 or later.

2008 applicants: If you benefited from a Save Our Homes assessment limitation (cap value) on a previous property in 2007, then you can port that amount to 2008

2009 applicants: The 2-year rule applies beginning in 2009. If you received an assessment limitation (cap value) in either 2007 or 2008, then you can port the amount to 2009.

Q: Do I have to sell my home before I can qualify for Portability?

A: No. But you do need to abandon your previous homestead in order to port the assessment limitation.

Q: If I owned a property with another owner and they still live in my previous home, can I apply for Portability?

A: The law requires that the previous exemption be forfeited before you can port any of the benefit of the cap value. In other words, the exemption for the previous property must be cancelled by all previous owners.

Q: Do I have to purchase a new property to get the Portability benefit?

A: No. You can transfer the cap value to another property you purchased in a previous year.

Q: When do I apply for Portability?

A: You must file a Homestead Exemption and portability application (DR-501T) by March 1.

Q: How do I apply for Portability?

A: Complete a Homestead Exemption application and the DR-501T "Transfer of Homestead Assessment Difference" and return the forms to the Property Appraisal Department by March 1. If your previous property was in another county we will forward the DR-501R to the previous county in order to obtain the portable cap value from your previous home.

Q: If I have Portability, can I also apply for additional exemptions such as widow/widower, disability or senior exemption?

A: Yes. "Portability" is an additional benefit.

Q: What is the maximum amount I can "port" to my new property?

A: The maximum amount you can port is \$500,000.

Q: What is the formula for the Portability?

A: For example, if you are moving to a *more expensive home*:

	Previous Property	New Property
Market	\$350,000	\$400,000
Assessed	200,000	See next line
Cap Value	<u>150,000</u>	<u>\$350,000 - \$200,000 = (\$150,000)</u>
Adjusted Assessed	NA	\$250,000

If you move to a *less expensive home*:

	Previous Property	New Property
Market	\$350,000	\$300,000
Assessed	200,000	See next line
Cap Value	<u>150,000</u>	<u>\$300,000 / \$350,000 = .857 X \$150,000 = (\$128,571)</u>
Adjusted Assessed	NA	\$171,429

ADDITIONAL \$25,000 HOMESTEAD EXEMPTION

Q: Do I have to apply for this additional homestead exemption?

A: No. The additional exemption will be applied automatically to any property that currently is receiving a homestead exemption.

Q: How much will I save on the additional \$25,000 homestead?

A: This exemption will save most homeowners about \$250 a year in taxes.

Q: Can I also apply for other exemptions such as widow/widower, disability or senior exemption and qualify for the addition homestead exemption?

A: Yes. The only difference is that the additional homestead exemption will not be applied to the school board portion of the property taxes.

Q: How is this additional exemption calculated?

A: If the assessed value of your property is \$50,000 or less, there will be no change in the exemptions for your property. If the assessed value of your property is greater than \$50,000, you will receive up to \$25,000 for the extra homestead exemption.

For Example:

Estimated Assessed Values	Current Exemption	Additional Exemption	Taxable Value for Counties, cities...	Taxable Values for School Board
\$45,863	\$25,000	\$0	\$20,863	\$20,863
53,890	\$25,000	\$53,890-\$50,000= \$3,890	\$25,000	\$28,890
\$67,250	\$25,000	\$67,260-\$50,000= \$17,250	\$25,000	\$42,250
\$75,000	\$25,000	\$25,000	\$25,000	\$50,000
\$188,753	\$25,000	\$25,000	\$138,753	\$163,753

10% CAP FOR NON-HOMESTEADED PROPERTIES

Q: When will this become effective?

A: This will be effective for your 2009 TRIM Notice and property tax bill.

Q: How to do I apply for the 10% cap?

A: Applications must be submitted to the Property Appraisal Department by March 1, 2009. The applications will be available from the Florida Department of Revenue in late 2008, probably by October.

Q: Can I get this exemption on my homesteaded property?

A: No. This exemption is for all "Non-homesteaded" properties.

Q: What does "Non-homesteaded property" mean?

A: The Miami-Dade Property Appraisal Department is awaiting a final definition from the Florida Department of Revenue. However, the Department understands that the targeted beneficiaries are those properties that are not receiving a homestead exemption, such as vacant land, commercial properties and rental properties.

Q: Will the 10% cap reduce my taxes after I apply?

A: If you file by March 1, 2009, your 2009 assessed value will not increase more then 10% from your 2008 assessed value.

Q: Does the 10% cap apply to the whole property?

A: Yes

\$25K TANGIBLE PERSONAL PROPERTY (TPP) EXEMPTION

Q: What is tangible personal property?

A: This is an assessment for the equipment, furniture and fixtures used by all business and rental properties. Assessment of TPP at rental properties may include items such as stoves, refrigerators, etc.

Q: How do I apply for this exemption?

A: The Tangible Personal Property Return shall be considered an application for the exemption and will be applied to the first \$25,000 in value for the tangible personal property.

Q: What tax rate is used for this exemption?

A: This exemption applies to all tax rates.

Q: When does this exemption become effective?

A: This exemption is effective for the 2008 tax year and will be reflected in your 2008 TRIM notice and tax bill.

Q: When must I file my Tangible Personal Property Return?

A: All returns must be filed by April 1 unless an extension has been granted. All requests for a Filing Extension must be received (or postmarked by the USPS) by April 1.

Q: Where do I submit my Tangible Personal Property Return or Filing Extension?

A: Your Tangible Personal Property Return or Filing Extension Request must include: Tangible Personal Property folio number, name of the taxable entity and the property address.

The regular Tangible Personal Property Tax Return should be mailed to:

**Miami Dade County Property Appraiser
Tangible Personal Property Returns
PO BOX 35-9040
Miami, Florida 33135-9040**

Requests for an extension should be sent to:

**Miami Dade County Property Appraiser
Tangible Personal Property Extension Section
PO BOX 45-4400
Miami, Florida 33245-4400**

Q: Who can I contact with additional questions?

A: Please call 786-331-5376 for Tangible Personal Property assistance. For help with Portability or Exemptions issues call 786-331-5321.