

homestead portability report and analysis

What is the Property Tax Portability Amendment?

On January 29, 2008, the citizens of Florida voted for the implementation of the 2007 Special Session D legislation (increases to the homestead exemption, homestead portability, tangible personal property tax exemption, and assessment caps on non-homestead property). In short, the "Property Tax Portability Amendment". The amendment provides in part for homeowners to transfer some or all of their savings in property taxes as a result of their homestead when they sell their home and purchase another home in Florida. Previously, the assessed value of the new home would be readjusted as a result of the new purchase to reflect the new "fair value".

What is the "Save our Homes" Benefit?

The "Save Our Homes" benefit is the difference between the assessed value and market value of a homestead property due to the annual limit on increases in assessed value. Portability means that, from now on, you can transfer some or all of your old home's "Save Our Homes" benefit to your new home.

When will the changes from Amendment 1 show up on tax bills?

Portability first becomes available for homeowners who had a 2007 homestead exemption on their old home and established a new homestead by January 1, 2008. If you moved into a new home by January 1, 2008, you have through March 1, 2008, to apply to your property appraiser for your new homestead exemption and for the transfer of the "Save Our Homes" benefit to your new homestead for 2008. If you have already applied for a homestead exemption on your new home, you must complete a separate application by March 1, 2008, to transfer the "Save Our Homes" benefit to your new homestead.

How much is the portability benefit worth?

A homesteaded property owner can transfer up to \$500,000 of portability benefit to a new homestead. A person moving to a more expensive home transfers the dollar amount. A person moving to a less expensive home transfers the percentage value.



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How does a person apply for portability?

The homesteaded property owner should turn in a completed application to the office of the property appraiser in the county where the new homestead is located. The application is attached to your free homestead portability report at Exit Team Realty.

Who's eligible for portability this year?

A person who establishes a new Florida homestead for 2008 and filed to give up the previous homestead sometime after Jan. 1, 2007; In other words, a person who relocated from a homestead last year and is claiming a new homestead for 2008 is eligible. The deadline for 2008 homestead and portability applications is March 1. The portability benefit would show up on the 2008 tax bill.

Who's eligible for portability after that?

Any Florida homesteaded property owner who establishes a new homestead for 2009 or any subsequent year—as long as the person had another valid homestead within two years of establishing the new one.

I don't plan to move. What happens to the 3 percent cap on property tax assessments I got every year under Save Our Homes?

You're still protected. Save Our Homes doesn't go away.

Is there an application for the additional homestead exemption?

No. The additional exemption will be granted automatically to anyone qualifying for a base \$25,000 homestead exemption. It applies only if a property's assessed value exceeds \$50,000.

How much is the additional exemption?

The exemption is \$25,000, but it does not apply to property taxes assessed for local schools. In other words, no additional exemption will be applied to a property's assessed value for the purposes of levying school taxes.



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Case study #1: Homestead Portability Mr. & Mrs. "Empty Nester"

Mr. & Mrs. Exit Empty Nester just sold their large home in Somewhere, FL for \$400,000 and have purchased a smaller home in Anywhere, FL for \$200,000

The home they sold had an assessed value of \$463,430

Their save our homes exemption was adjusted their taxable value to SOH: \$293,020

The total SOH deduction for this 2008 homestead was: (36.77%) \$ 170,410

The assessed value of the property they purchased is \$ 190,770

The SOH portability applied as a % of the new properties Assessed value is \$70,148

The taxable amount on their new home after the SOH portability would be **\$ 120,622**

The savings to Mr. & Mrs. Exit Empty Nester is substantial. In this calculation the new homestead will save the homeowners an estimated **\$1972.56 per year!!!**

EXIT Realty Martin Group can help with the application to ensure a smooth transaction.

This client could pocket an additional **\$2000** at closing using Exit's Exclusive Empty Nester Program.



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Case study #2: Homestead Portability Mr. & Mrs. "Upgrade"

Mr. & Mrs. Exit Upgrade just sold their home in Somewhere, FL for \$400,000 and have purchased a larger home in Anywhere, FL for \$600,000

The home they sold had an assessed value of \$463,430

Their save our homes exemption was adjusted their taxable value to SOH: \$293,020

The total SOH deduction for this 2008 homestead was: \$170,410

The assessed value of the property they purchased is \$590,770

The taxable amount on their new home after the SOH portability would be **\$420,360**

The savings to Mr. & Mrs. Exit Upgrade is substantial. In this calculation the new homestead will save the homeowners an estimated **\$4780.00 per year!!!**

EXIT Realty Martin Group can help with the application to ensure a smooth transaction.

This client could pocket an additional **\$4000** at closing using our exclusive Exit Upgrade Program.



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Case study #3: Homestead Portability Mr. & Mrs. "Lateral Relocation"

Mr. & Mrs. Lateral Relocation just sold their home in Somewhere, FL for \$400,000 and have purchased a smaller home in Anywhere, FL for \$400,000

The home they sold had an assessed value of \$463,430

Their save our homes exemption was adjusted their taxable value to SOH: \$293,020

The total SOH deduction for this 2008 homestead was: \$170,410

The assessed value of the property they purchased is \$400,000

The taxable amount on their new home after the SOH portability would be **\$229,590**

The savings to Mr. & Mrs. Lateral Relocation is substantial. In this calculation the new homestead will save the homeowners an estimated **\$4780.00 per year!!!** In this case the previous home was assessed for more than the "just" value so Mr. & Mrs. Lateral Relocation pick up a bonus \$63,430 in reduced taxable value bringing their saving to **\$6,563 per year!**

EXIT Realty Martin Group can help with the application to ensure a smooth transaction.

This client could pocket an additional **\$4000** at closing using Exit's Exclusive RELO Program.



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