

❖ **NOTICE: Years 2004 and 2005 are utilized in the following sections for explanation purposes only. This copy may be used to explain aspects of the economic exemption program in the year 2006 and beyond.**

## **ESTIMATES OF TAX SAVINGS**

### **Assessed Value Estimates and Exemption Amounts**

Identified below are estimates of assessed values and the exemption amount if Palm Beach County granted an economic exemption. The estimates apply to improvements to real and tangible personal property. Tax savings shown are for one year only. The estimates are based on the Palm Beach County 2004 **operating millage rate of 4.5 mills per thousand of evaluation**, which may change each year due to changes in the millage rate and the value of assessment. The applicant may request an exemption for a period of one to ten years.

<b>Assessed Value</b>		<b><u>Estimated Tax Savings</u></b>
<b><u>Tangible Personal Property</u></b>		<b>(for one year)</b>
(for new or expanded business)		
\$100,000	(x .004500 millage)	\$450
\$250,000	(x .004500 millage)	\$1,125
\$500,000	(x .004500 millage)	\$2,250
\$1,000,000	(x .004500 millage)	\$4,500
\$5,000,000	(x .004500 millage)	\$22,500

## **2005 TAX ROLL CALENDAR**

### **Calendar**

### **Tax Roll Status**

January 1, 2005	Date of lien; statutory date of assessment.
March 1	Last day to file for any exemptions for current tax roll.
April 1	Taxes are considered to be delinquent for 2004 Tax Roll.
June 1	Delivery of estimates of taxable value to taxing authorities for preliminary budget planning purposes.
July 1	Delivery of certifications of taxable value (DR-420); values upon which taxing authorities must budget.
August 4	Taxing authorities return DR-420 with their proposed millages for "Notice of Proposed Taxes" (Trim Notices).
August 23	Trim Notices mailed to all property owners.
October 7	Final millages due from taxing authorities for tax bill production.
November 1	Tax Collector mails tax bills for 2005 (for taxes from January 1 to December 31).

## **TIMING OF ASSESSMENTS FOR TAX ROLL**

The Property Appraiser's Office learns of new construction through permits issued, then conducts inspections, and eventually receives copies of Certificates of Occupancy (CO). An improvement must be substantially complete or receive a CO prior to January 1, 2005 in order to be included on the 2005 certified tax roll. A property that is acknowledged as substantially complete or that receives a CO between January 2, 2005 and March 1, 2005 (economic development exemption filing deadline) will be certified on the 2006 tax roll.

According to Exemption Ordinance Sec. 17-255 (b) and (c), when improvements to real estate and tangible personal property have been on the tax rolls in the calendar year prior to the calendar year in which the exemption is initially sought, the exemption shall not accrue to real estate or tangible personal property added or increased for the use of new or expanding business when such additions or increases has been on the tax rolls in the calendar year prior to the calendar year in which the exemption is initially sought. This alludes to the last certified tax roll (2004) and not the working tax roll in preparation for the 2005 tax roll certification, on which the first tax billing will be in November 2005.

The intent is not to remove any value from the tax roll or tax base of a taxing authority once it has planned or budgeted on it. Taxing authorities receive their Certificate of Taxable Value on July 1st of each year. This is the notification of what the total taxable value is in their jurisdiction, and is what they must base their budgets on.

Tax bills sent in November 2005 are for taxes covering the period January 1, 2005 through December 31, 2005. Tax bills are in arrears (including services received January to November). Assessments are as of January 1st.

## **RENOVATION OF AN EXISTING FACILITY**

The renovation of existing real property may qualify for an ad valorem tax exemption provided other factors demonstrate an economic benefit to Palm Beach County and the Board of County Commissioners approves the exemption. A business would occupy an existing structure that will be gutted and/or renovated to satisfy its operational needs. Ordinance No. 2005-004 which established the exemption program and Section 196.1995, Florida Statutes, which authorizes same, specifically mentions "improvements." Improvements are defined in Section 4 of the Ordinance to mean "physical changes made to raw land, and structures placed on or under the land surface." A renovation is an improvement made by a new or expanding existing business that must also create the required number of new jobs as set forth in the exemption ordinance.