

## INCREASED HOMESTEAD PROPERTY TAX EXEMPTION

Ballot language: "Proposing an amendment to the State Constitution to increase the homestead exemption by exempting the assessed valuation of homestead property greater than \$100,000 and up to \$125,000 for all levies other than school district levies. The amendment shall take effect January 1, 2019."

### Frequent Questions

#### Do YOU Qualify for this exemption?

- Less than half (43%) of statewide homesteaded property owners would benefit. (Source: Florida TaxWatch, A Florida TaxWatch Briefing)
- To find out if you even qualify, visit: Website by Florida County Property Appraisers: <https://3hxestimator.org/hb3/hb3.php>

#### Could the exemption result in Higher Taxes or Fewer Services?

- Palm Beach County Government would see an approximate \$37 million reduction in property tax revenues. A budget shortfall could affect services.
- Non Homesteaded and Commercial properties would not be eligible for a tax savings. This could result in a future tax burden placed on local business owners, non-homestead property owners, and renters if that burden is passed along as policy makers would have to choose between more taxes or fewer services.
- Citizens could see a reduction in services: With all other factors remaining consistent, the additional exemption means that cities and counties would have two choices:
  - 1) Maintain the current millage rates and make tough choices about reducing the services provided to their citizens; or
  - 2) Increase taxes to make up for the potential revenue shortfall.

#### How does the Exemption work?

- Since the proposed exemption could make Florida's property tax system more complicated, make sure you visit the website above to see if it applies to you.
- The exemption applies to the assessed value of a homestead property greater than \$100,000 and less than \$125,000. It would not affect the existing homestead exemptions in place that exempt assessed values between \$0 and \$25,000 and between \$50,000 and \$75,000. If the assessed value of your homestead property does not exceed \$100,000, the exemption would not apply to your home.
- The exemption does not apply to school taxes.
- The exemption does not apply to businesses and could create a higher tax burden for small businesses—everything from pet stores and drycleaners to retailers and restaurants.
- It could expose small businesses to bigger tax hikes later because a business's taxable value grows faster than that of a home. That means business owners could shoulder a larger share of the tax burden.