



# **RELEASE**

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## **Florida TaxWatch Releases Report on Amendment 1 on Property Taxes**

**TALLAHASSEE** — Amendment 1, the proposed constitutional amendment on Florida property taxes, does not target relief to those who need it most, perpetuates an inequitable system and exacerbates the tax shift to those taxpayers who have suffered the most. This is the conclusion of Florida TaxWatch, which today released its analysis of the amendment that will be considered by voters on January 29.

The report, “**Amendment 1 on Property Taxes Is Likely to Do More Harm than Good,**” reveals a serious flaw in the amendment that would allow local governments to immediately recoup any lost revenue that taxpayers would gain under the amendment.

The report also states that the “portability” provision may well run afoul of the United States Constitution, according to the expert constitutional advice commissioned by the Legislature. Further, Florida TaxWatch warns that passage of the amendment could mean the end of true property tax reform.

“Florida can, and must, do better,” said **Dominic M. Calabro**, President & CEO of the nonprofit taxpayer research group Florida TaxWatch. “Sound advice for amending the constitution is ‘when in doubt, leave it out.’ For Amendment 1, we are convinced it is more than just doubt. There is plenty of evidence that this is not the right thing for Florida’s taxpayers and economy.”

The new property tax amendment falls far short of what is needed, according to the report. There are a number of reasons why:

- The plan gives most of the relief to those who need it the least (long-term Save Our Homes property), while giving very little to those that have seen their taxes rise the most (non-homestead property).
- It will perpetuate the current system and exacerbate the shift of tax burden from homestead to non-homestead property. It will also continue to shift tax burden to new homeowners.

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- While some solution to portability is needed, there are serious constitutional concerns about providing it.
- The 10% cap for non-homestead property is so high as to be of little value to most properties.
- The \$9.3 billion five-year taxpayer savings estimate is likely overstated. The proposal does not restrict local governments' ability to increase millage rates to recoup revenue losses, thereby lessening the savings for some and shifting more tax burden to others.
- And perhaps most importantly, if the voters approve this new amendment, future attempts to reform non-homestead property taxes will be extremely difficult.

The report also includes assessments made by legal and economic experts who were hired by the Legislature to advise it on property tax issues. A legal expert warns of "100% certainty" of a constitutional challenge to the amendment on the grounds that portability violates the U.S. Commerce Clause.

"This proposed amendment will make a bad situation worse," say noted economists who are quoted in the report. "It is a cure worse than the disease."

"Undoubtedly, Florida's property tax system is in desperate need of reform," said **Kurt Wenner**, Florida TaxWatch Director of Tax Research. "Unfortunately, the Legislature's need to pass something people will vote for, coupled with a sincere desire to help Floridians who cannot afford to move because of higher taxes, resulted in a proposal that is not only unsatisfactory but also likely to be detrimental."

**Click here for an electronic copy of the report.**

**MEDIA NOTE: Dominic M. Calabro and Kurt Wenner will be available for interviews Friday, Jan. 11 on this subject. Please contact Kim MacQueen at the above number.**

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Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 28 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida government. Its support comes from homeowners and retirees, small and large businesses, philanthropic foundations, and professional associations. On the web at [www.FloridaTaxWatch.org](http://www.FloridaTaxWatch.org).