



# NEWS

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**CONTACT:** Kim MacQueen  
Communications Director  
850-222-5052

## **New Florida TaxWatch Report Urges Comprehensive Property Tax Reform**

**TALLAHASSEE** — Lawmakers began another special session today on property taxes and are poised to replace the proposed constitutional amendment it passed four months ago with another. Florida TaxWatch, in a report released today, analyzes the proposal and concludes that it does very, very little for non-homestead property owners, who as a group have suffered the most from the property tax crisis. In fact, it could even make matters worse. Coupled with serious constitutionality concerns, the new proposal is not what Florida needs.

“The Legislature is poised to replace the proposed constitutional amendment on property taxes it passed four months ago with another one that is a step backwards,” writes Director of Tax Research **Kurt Wenner**, the report’s author. “The previous amendment, while far from perfect, had a major improvement the new one lacks, the gradual phasing-out of Save Our Homes without hurting those who currently benefit from it. This is key to true long-term reform of the system for all taxpayers.

Among the report’s findings:

- Doubling the homestead exemption is a “solution looking for a problem.” This largely helps taxpayers that do not need it as much as others, while further burdening those who need relief the most. When combined with changes in SOH, an increased homestead exemption could play an important role in a comprehensive reform of Florida’s property tax system, such as was attempted in the Super-Homestead amendment. But without more comprehensive changes and principled reforms, the Legislature should avoid the politically expedient move of proposing an increased homestead exemption.
- The lack of Save Our Homes “portability” is a real problem, but it must be remembered allowing portability will exacerbate the problem of shifting taxes. What’s more, there are serious questions on the constitutionality of portability according to the Legislature own hired legal expert.
- The proposed new exemption for first-time homebuyers is another example of a proposal that addresses a real problem--the tax shift to new homeowners—but also increases the tax shift to non-homestead properties.
- Other provisions of the proposal have merit, such as the tangible personal property exemption, target relief for low income seniors, affordable housing and “working waterfronts” and the removing the presumption of correctness that property appraisers enjoy in appraisal disputes.

**The report recommends:**

- The Legislature should fix the ballot summary of the Super Homestead Exemption amendment.
- If the Legislature moves forward with its current proposal it should include a “Save Our Taxpayer” provision that would cap the assessment growth of all property, the same way Save Our Homes does for homesteads.
- If the Legislature includes tax breaks for homestead properties, such as the double homestead exemption, it needs to include statutory accompaniment to ensure that more tax burden is not shifted to non-homestead properties. This can be done by requiring that the rolled-back rate be calculated before the value of new exemptions is removed from taxable value.

“By providing more benefits to homesteaders and attempting to fix problems Save Our Homes created for them, it would be difficult to create a future constitution amendment to help non-homestead property that would garner enough voter support to pass,” Florida TaxWatch President and CEO **Dominic Calabro** said. “Since any changes to help non-homestead property will likely put upward pressure on homesteaders’ tax burden, these homestead benefits should be part of a comprehensive property tax relief and reform proposal that has something for everybody.”

Click here to read the report “[New Legislative Property Tax Proposal Is a Step Backward From the Last One.](#)”

Also see [Florida TaxWatch Guiding Principals and Recommendations for Property Tax Reform.](#)

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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. Our 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. On the web at [www.FloridaTaxWatch.org](http://www.FloridaTaxWatch.org).