



NEWS

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FLORIDA LEGISLATURE SHOULD FOCUS ON PROVIDING PROPERTY TAX RELIEF NOW

The Taxation and Budget Reform Commission can Provide Meaningful Constitutional Reform

TALLAHASSEE — The Florida Legislature is feeling a lot of pressure to do something about property taxes this legislative session, but a Florida TaxWatch report recommends that the 2007 Florida Legislature provide relief now and allow the constitutionally created Taxation and Budget Reform Commission to perform a more thorough, thoughtful and deliberative study of Florida's property tax and local government spending crisis.

"Both the Governor and the House of Representatives have proposed bold reform plans," said Dominic M. Calabro, President and Chief Executive Officer of Florida TaxWatch. "While Florida TaxWatch has studied and recommended many of these reforms, some are simply untested and require a more thorough and definitive assessment."

The Florida TaxWatch report, "**The Property Tax Crisis: Legislature Should Focus on Providing Immediate Relief to All Taxpayers,**" released today, makes several recommendations to the Florida Legislature on how to provide statutory property tax relief now, and long term, constitutional reform later. Florida TaxWatch recommends:

- In turn with the House of Representatives property tax reform plan, Florida TaxWatch recommends that the Legislature require local governments to roll back their taxes. Florida TaxWatch suggests cities, counties and special districts roll-back their taxes for next year by the lesser of 10% or a two-year roll-back of rates (adjusted forward for population and inflation), providing taxpayers a tax cut of approximately \$1.8 billion.
- The 2007 Legislature should buy down the Required Local Effort (RLE), the millage rate levied by school districts that is required by the state to participate in Florida's school funding program. During the last several years, the state has failed to sufficiently roll-back the RLE millage rate, while property values have continued to soar. The RLE is a significant portion of Floridians' increasing tax burden and if reduced will provide relief to all tax payers.

(More)

- Businesses in Florida have been the biggest bearers of the property tax increases. Florida TaxWatch has been a proponent of and commends the Governor for recommending that small businesses be exempt from tangible personal property tax and recommends that the Legislature create a \$25,000 exemption for tangible personal property tax.

“The state has contributed to Floridians’ property tax burden and therefore they should contribute to the relief,” said Kurt Wenner, Florida TaxWatch Senior Research Analyst and author of the report.

While the Florida Legislature can and should calm anxious property owners and the property tax markets by providing relief for Florida taxpayers this session, Florida TaxWatch recommends that they allow the Taxation and Budget Reform Commission to do a thoughtful, deliberative study of our property tax and local government spending challenges.

“With more time and a focused mission dedicated to studying the tax and budget systems of Florida, the TBRC can work toward recommending true, meaningful and long-lasting reforms that will not have the unintended consequences that the Save Our Homes amendment has had on Florida taxpayers, a lot more than the Legislature can do in the remaining weeks of session,” said Calabro.

In a research report released in December 2006, “**Controlling Escalating Property Taxation and Local Government Spending and Revenue**,” Florida TaxWatch recommends repealing the Save Our Homes amendment, along with:

- Allowing homeowners who currently enjoy the protection of the amendment’s cap to keep their reduced assessment. Future assessments would be at full market value minus the existing differential under the cap.
- Capping local governments’ revenues. This could include mandating that local governments adopt a millage rate that is no higher than a redefined rolled-back rate that allows for new construction and inflation or growth in personal income or both. The cap could be overridden by a supermajority vote of the local government body.
- Allowing a one-time statewide portability of a homeowner’s assessment reduction. If a homeowner moves within Florida, their new house’s fair market assessment would be reduced by the same amount as their old house, so long as the new home’s assessment is of equal or greater value.
- Assessing commercial property at the value of its existing business, rather than what the property could sell for under the current “highest and best use” criteria.

The Taxation and Budget Reform Commission is positioned to fully evaluate all of the property tax reform options and offers voters in Florida a package that is fair to all taxpayers, helps keep future tax increases in check and creates a system that is good for Florida’s competitiveness and economic vitality.

[Click here to view the report.](#)

MEDIA AVAILABILITY: Dominic M. Calabro, Florida TaxWatch President and Chief Executive Officer, and Kurt Wenner, Florida TaxWatch Senior Research Analyst and author of the report, will be available for interviews today. Please contact Tiffany Koenigkramer at (850) 222-5052.

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Florida TaxWatch is a private, 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.