



# **NEWS**

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## **WHAT PROPERTY TAX CRISIS?**

### ***Legislature Wants to Increase School Property Tax By More Than \$500 Million***

**TALLAHASSEE** — Despite an almost universal agreement among Florida's legislators that property taxes are too high and property tax relief is needed now, currently both the House and Senate budgets would increase school taxes by almost \$550 million this year.

Both budgets set the Required Local Effort (RLE) for next year at \$7.9 billion, up from the \$7.4 billion stipulated in the current budget. RLE is the millage rate the state requires school districts to levy in order to participate in Florida's school funding program.

This increase is difficult to justify when the Legislature is likely to ask local governments to cut their budgets to provide much needed property tax relief. The increase in the amount of RLE mandated by the Legislature has been a significant part of Floridians' increasing property tax burden and therefore the state should contribute to property tax relief – not a half billion property tax increase.

"Reducing RLE is one of the most direct and equitable ways to provide much needed property tax relief to all taxpayers and remains a longstanding recommendation by Florida TaxWatch," said Dominic M. Calabro, President of Florida TaxWatch..

In the Florida TaxWatch report, *The Property Tax Crisis: Legislature Should Focus on Providing Immediate Relief to All Taxpayers*, released last week, March 22, 2007, Florida TaxWatch makes several recommendations to the Florida Legislature on how to provide meaningful statutory property tax relief now, and long term, constitutional reform later.

- 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 recommends 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.

(More)

- The 2007 Legislature should buy down – not increase - the RLE. During the last several years, the state has failed to sufficiently roll-back the RLE millage rate, while property values have continued to soar. School property taxes and the RLE make-up a significant portion of Floridians' increasing tax burden and if reduced will provide meaningful relief to all property taxpayers.
- 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.

"If the Legislature proceeds with this, they would be guilty of the same thing they have criticized local governments for: using increased property values to provide increased property tax instead of rolling-back the millage rate," said Calabro. "Hopefully, if the Legislature wants to provide more money for schools, it will find state money in the budget to do so, instead of further burdening already reeling property taxpayers."

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**[Click here to view the latest Florida TaxWatch recommended solutions to growing property tax and uncontrolled local government spending.](#)**

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).