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Dear Property Tax Reform Supporter:

I am excited to announce that an agreement has been reached between the House and the Senate on the tax cut levels for historic relief and reform package that will save Florida taxpayers **\$31.6 billion** over the next five years. This is, by far, the largest tax cut in Florida's history.

I cannot be more proud of the excellent work of our negotiating team and the valuable input from our respective legislative chambers. Together, we are bringing forth a thoughtful and comprehensive plan that will give every property owner – homestead, non-homestead residential, and commercial/industrial – a tax cut this year. We are confident that when this plan is implemented, Floridians will finally have a more equitable tax system that will yield property tax bills that they can afford to pay.

The details of the plan are provided below. Thank you for continued involvement in this very important issue. Please e-mail us at [info@nomorepropertytax.com](mailto:info@nomorepropertytax.com) for more information.

Sincerely,

Marco Rubio  
Speaker, Florida House of Representatives

### **\$15.6 billion in Immediate Tax Relief and Reform (Statutory Changes)**

- Beginning this year, every category of property taxpayer will benefit from the cut and the cap that the statute imposes.
- All cities and counties will be required to cut taxes in the upcoming 2007-2008 fiscal year to the 2006-2007 revenue levels. These local governments will then be required to make an additional cut of 3%, 5%, 7% or 9%. The level of cuts will be determined by a formula that analyzes their taxing performance over the past 5 years, measured against a statewide average.
- Special taxing districts and fiscally limited cities and counties will be required to cut taxes to the 2006-2007 revenue levels and make an additional cut of 3%.
- A cap on future property tax revenues (based on the rate of personal income growth and new construction) will be imposed to ensure that government cannot grow faster than personal income.
- Local governments may override the cut and the cap. The method for the override will vary based on the magnitude of the local government's action (escalating from a supermajority vote of the local governing body, to a unanimous vote of the local governing body, to a referendum).

## **\$16 billion in Further Tax Relief and Reform (Constitutional Amendment)**

- The estimated average savings for a homestead property (combining statutory and constitutional changes) will be \$1,300 in 2008-2009. This average savings represents a 44% reduction.
- “Save our Homes” is replaced with a new “super exemption”. An estimated 73% of homesteaded properties will receive a greater benefit under this new exemption.
- The new “super exemption” will be as follows:
  - Level 1: Homestead Property will receive an exemption of 75% of the first \$200,000 in value of the home. The minimum exemption is \$50,000 per homestead.
  - Level 2: In addition to Level 1, homestead property will obtain another 15% exemption for the next \$300,000 in value.
- We will grandfather the tax savings and assessment cap for the minority of property owners who have greater benefits under the current “Save our Homes” plan.
- We will preserve all existing constitutional exemptions based on special circumstances, including those now provided to disabled veterans, low income seniors and agricultural lands.
- Because the tax base for all taxing authorities will decline under the constitutional amendment, the fiscal analyses reflects a reduction in school funding. We intend to hold schools harmless from these cuts.

### **Other Constitutional Changes**

There has been agreement to address remaining issues such as additional relief to low income elderly taxpayers, offering incentives for affordable housing and providing tax reform for “working waterfronts” and small businesses. Small businesses will receive a \$25,000 tangible personal property tax (TPP) exemption resulting in a total exemption for \$1 million of the 1.3 million businesses who must pay this tax. Furthermore, those who receive a total exemption on their TPP will never have to file the burdensome paperwork associated with the tax again.