



\$15.6 Billion in Immediate Tax Relief and Reform (Statutory)

SB 2B provides **\$15.6 billion in immediate tax relief** beginning in 2007. Beginning this year, **every category of property taxpayer will benefit** from the rollback, cut and cap that the local governments will be required to implement.

The legislation requires that **all cities and counties reduce property taxes** in the upcoming 2007-2008 fiscal year **to the 2006-2007** revenue levels, minus 3-9%. The level of cuts (3%, 5%, 7%, or 9%) is determined by a formula that analyzes the local government's annual tax increase per person over the past 5 years, measured against the statewide average. 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.

The bill **protects fiscally constrained municipalities**. These municipalities are not subject to a reduction factor. Additionally, the bill **protects fiscally constrained cities and counties**. These local governments are placed in the 3% reduction bracket, and are not measured by their taxing performance over the past 5 years. SB 2B treats all **Independent Special Districts uniformly** with a 3% reduction factor.

This legislation **respects local control**. All local governments have the option to override the rollbacks and caps on revenue through extraordinary votes or referenda. A local government may approve a higher tax rate, up to 2006-2007 revenue, plus new construction (levy the 2007-08 rolled-back rate), with a **2/3 vote** of the governing board. By **unanimous vote** or a **three-fourths vote** (if the governing body has nine or more members) of the governing board, the jurisdiction may levy the 2006-07 millage rate. Any rate above this level requires a referendum. Local governments **are held accountable for all their actions**, and if a local government exceeds the required millage limitation without extraordinary votes, the state will withhold the local governments Half-Cent Sales Tax distributions.

Within District 15, Polk, Lake, and Hernando Counties will have a 9% rollback, Osceola County will have 7%, and Sumter will be 3%.

\$16 Billion in Proposed Additional Tax Relief and Reform (Constitutional Amendment)

If approved by the voters in January 2008, SJR 4B will result in a significant tax reduction in 2008. The constitutional amendment increases the homestead exemption. The new homestead exemption will **exempt 75 percent** of the first \$200,000 in just value, with a minimum exemption of \$50,000 per homestead. Additionally, homestead property will receive an exemption of **15 percent** on just value from \$200,001 to \$500,000. This \$500,000 limit is automatically increased each year by per capita Florida personal income, and **may be increased by a 2/3 vote of the Legislature**.

Under this legislation low-income seniors are **guaranteed a minimum exemption of \$100,000**. All other homeowners **are guaranteed a minimum exemption of \$50,000**.

Current homeowners will have the **choice to retain the Save Our Homes benefit on their current home as long as they like**. They will have the option any year to **switch to the new increased homestead exemption**. (After making the switch, homeowners may not switch back to SOH)

SJR 4B **preserves all existing constitutional exemptions** based on special circumstances, including those now provided to disabled veterans, low income seniors and agricultural lands.

For businesses, the joint resolution creates an exemption from ad valorem taxes on tangible personal property **(TPP) of at least \$25,000**, and waives the requirement that an annual return be filed for tangible personal property valued less than \$25,000.

The resolution assesses **affordable housing** based on use.

Just Value	- Total Exemption	= Taxable Value
\$100,000	- \$75,000	= \$25,000
\$150,000	- \$113,000	= \$37,000
\$200,000	- \$150,000	= \$50,000
\$250,000	- \$158,000	= \$92,000
\$300,000	- \$165,000	= \$135,000
\$350,000	- \$173,000	= \$177,000
\$400,000	- \$180,000	= \$220,000
\$450,000	- \$188,000	= \$262,000
\$500,000	- \$195,000	= \$305,000

<p>Committee Assignments: Law & Justice Policy & Calendar Committee, Chair Military Affairs & Domestic Security, Chair Environmental Preservation Health Policy Transportation Education PreK-12 Appropriations Rules Public Service Commission Oversight</p>	<p>District Office: 101 W. Main St., Suite 110 Lakeland, FL 33815 (863) 413-2900</p> <p>Capitol Office: 314 Senate Office Building 404 South Monroe St. Tallahassee, FL 32399 (850) 487-5040</p>	<p>Staff: April Mucci Laura Arnolds-Patron Matt Hinton Richard Roy</p> <p>Email: dockery.paula.web@flsenate.gov Fax: (888) 263-3672</p>
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