

## FAQ's on Portability

### **Q: What is Portability?**

**A:** Since 1994, property owners with Homestead Exemption have had increases in their annual assessments capped at a maximum of 3% or rate of inflation, whichever is lower. This Assessment Limitation, known as the "Save Our Homes Cap" has resulted in significant tax savings to homeowners. The value of the cap is the difference between market value of the property and the assessment limitation resulting from "Save Our Homes." Under the Portability provision of the new law, homeowners can now transfer up to \$500,000 of the accumulated savings to their homesteaded property. If they buy a less expensive home, only a portion of the difference is transferable to the new home.

### **Q: When did portability go into effect?**

**A:** 2008 was the first year anyone was able to apply.

### **Q: Do I have to apply for portability?**

**A:** Yes, you must fill out a DR-501T "Transfer of Homestead Assessment Difference" when you file an application for your new homestead exemption.

### **Q: Is there a deadline to file?**

**A:** The deadline is March 1st of each year. The 2009 deadline has been changed to March 2<sup>nd</sup> due to March 1<sup>st</sup> falling on Sunday.

### **Q: What happens after I apply?**

**A:** Upon receipt of your application, we will send it to the Property Appraiser of your previous homestead. They will issue a "Certificate of Portability" DR-501RVSH for us to calculate your portability amount and apply the benefit to your new parcel.

### **Q: How will I know if I didn't qualify?**

**A:** We will notify you by July 1<sup>st</sup> of the applicable tax year.

### **Q: Can I see the difference applied on the website?**

**A:** Yes, at the bottom of the property record card there is a listing of Total Values, you would take the difference between the Total Just Value and the School Assessed Value and the difference is your portability amount.

### **Q: Can I figure out what my portability amount will be?**

**A:** Yes, on our website there is a Property Tax Calculator that will show the savings you could bring to your new property.

### **Q: Can I also apply for additional exemptions such as widows/widowers, disability or senior exemption if I have portability?**

**A:** Yes

### **Q: If I sold my previous parcel in 2006 do I qualify for portability?**

**A:** No, Section 193.155(8), F.S., states "A person who established a new homestead as of January 1, 2008, is entitled to have the new homestead assessed at less than just value only if that person received a homestead on January 1, 2007."

### **Q: Do I have to sell my previous home before I can qualify for Portability on my new home?**

**A:** No, But you need to abandon your previous homestead and establish homestead on your new property.

### **Q: Do I have to purchase a new property to get portability?**

**A:** No, if you already own another property (2<sup>nd</sup> home, beach house, etc.) you can abandon the current homestead and apply for homestead and portability on the other property.

### **Q: Can I move from one county to another in Florida and apply for portability?**

**A:** Yes, portability is effective throughout the state.

**Q: How long after I sell or abandon my prior homestead do I have to use my portability amount?**

**A:** A homeowner must establish a new homestead within 2 years (assessment years) of abandoning a previous homestead. Example: If you received an assessment limitation in either 2007 or 2008, then you can port the difference to 2009.

**Q: If I owned a property with another owner and the person still lives in my previous home, can I apply for portability?**

**A:** The law requires that the previous exemption be abandoned or forfeited before you can port any of the benefit. The remaining owner still occupying the home would have to apply for a new homestead and would be eligible to apply for their share of the portability difference.

**Q: I owned a property with my ex-spouse. I was awarded the house in the divorce. I sold it in 2007 and purchased a new home that I will homestead. My ex-spouse also purchased a new home that they will homestead. Since I was awarded the house in the divorce is my ex-spouse eligible to apply for any of the portability? And, how will the portability be split between the new homesteads?**

**A:** The new legislation requires that the portability amount be divided equally among the owners of the homestead exemption as of January 1. If the divorce were final in 2006 than the owner as of January 1, 2007 would be eligible for the portability amount. If the divorce was after January 1, 2007 then both owners would be eligible for their portion.

**Q: I own a property that has three people receiving the homestead. One owner has 60% interest and the other two have a 20% interest each. If we sell and apply for portability, how will the portability amount be divided between our new homesteads?**

**A:** Each owner's share of the assessment limitation difference is proportional to his/her ownership share in the property.

**Q: If three people own the property and the deed does not specify ownership shares, how is the portability handled?**

**A:** The number of owners who received the homestead exemption on the property would divide the difference equally.

**Q: What happens if two people who previously owned separate homesteads join in establishing a new homestead together?**

**A:** The highest transfer amount would be applied to the new homesteaded property but not to exceed \$500,000.

**Q: If the previous homestead was qualified for both a homestead exemption and an agricultural classified use assessment, how is the amount of transfer calculated?**

**A:** The difference eligible for transfer is equal to the difference between the just and assessed value on the homestead portion of the property.

**Q: If two people abandon a jointly owned homestead with a portability amount greater than \$500,000 and move to two separate parcels, how much difference can they each take?**

**A:** The maximum is \$250,000.

**Q: If two people who jointly own property and claim homestead on a parcel decide to sell and move together to a new home but only one is holding title on the new, can they transfer their whole portability difference?**

**A:** No, only the owner can transfer their portion. (unless a married couple)

# Portability (Downsizing)

A. Current or Previously Owned Property		B. Newly Purchased Property	
<b>Step 1 - Enter the Just Value of your Current or Previously Owned property</b>	250,000	<b>Step 5 - Enter the Just Value of your Newly Purchased property</b>	150,000
SOH Benefit (up to 500,000)	- 100,000	SOH Benefit (up to 500,000)	- 60,000
<b>Step 2 - Enter the Assessed Value of your Current or Previously Owned property</b>	= 150,000	Assessed Value	= 90,000
<b>Step 3 - Exempt Value (enter if other than \$25,000)</b>	- 25,000	Exempt Value	- 25,000
School Taxable	= 125,000	School Taxable	= 65,000
"Additional Amendment #1 Exemption" - (excludes school levies)	- 25,000	"Additional Amendment #1 Exemption" - (excludes school levies)	- 25,000
Non-School Taxable	= 100,000	Non-School Taxable	= 40,000
<b>Step 4 - Click Location for Current/Previous</b> Daytona Beach - 204 x	0.02157977	<b>Step 6 - Click Location for New Property</b> Unincorporated/Westside - 100 x	0.01938832
School Millage Rate	0.00745900	School Millage Rate	0.00745900
School Tax Amount	\$932.38	School Tax Amount	\$484.84
Non-School Millage Rate	0.01412077	Non-School Millage Rate	0.01192932
Non-School Tax Amount	\$1,412.08	Non-School Tax Amount	\$477.17
<b>Estimated "Currently Owned" Tax Amt for 2008 Tax Roll</b>	= \$2,344.45	<b>Estimated "Newly Purchased" Tax Amt for 2008 Tax Roll</b>	= \$962.01

Estimate of taxes with portability	\$ 962.01
Estimate of taxes without portability	\$2,125.31
Savings	\$1,163.30

# Portability (Upsizing)

A. Current or Previously Owned Property		B. Newly Purchased Property	
<b>Step 1 - Enter the Just Value of your Current or Previously Owned property</b>	150,000	<b>Step 5 - Enter the Just Value of your Newly Purchased property</b>	250,000
SOH Benefit (up to 500,000)	- 75,000	SOH Benefit (up to 500,000)	- 75,000
<b>Step 2 - Enter the Assessed Value of your Current or Previously Owned property</b>	= 75,000	Assessed Value	= 175,000
<b>Step 3 - Exempt Value (enter if other than \$25,000)</b>	- 25,000	Exempt Value	- 25,000
School Taxable	= 50,000	School Taxable	= 150,000
"Additional Amendment #1 Exemption" - (excludes school levies)	- 25,000	"Additional Amendment #1 Exemption" - (excludes school levies)	- 25,000
Non-School Taxable	= 25,000	Non-School Taxable	= 125,000
<b>Step 4 - Click Location for Current/Previous</b> Daytona Beach - 204 x	0.02157977	<b>Step 6 - Click Location for New Property</b> Unincorporated/Westside - 100 x	0.01938832
School Millage Rate	0.00745900	School Millage Rate	0.00745900
School Tax Amount	\$372.95	School Tax Amount	\$1,118.85
Non-School Millage Rate	0.01412077	Non-School Millage Rate	0.01192932
Non-School Tax Amount	\$353.02	Non-School Tax Amount	\$1,491.17
<b>Estimated "Currently Owned" Tax Amt for 2008 Tax Roll</b>	= \$725.97	<b>Estimated "Newly Purchased" Tax Amt for 2008 Tax Roll</b>	= \$2,610.02

Estimate of taxes with portability	\$2,610.02
Estimate of taxes without portability	\$4,064.14
Savings	\$1,454.12