



# Senior Exemption with Limited Income

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January 23, 2024

Linda Senne, Finance Director



# Senior Exemption with Limited Income

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- Florida Statutes 196.075
- Provides an additional exemption for residents 65 and older
- Up to \$50,000
- Adjusted gross income limit was \$35,167 for 2023
- Income limitation is adjusted annually on January 1
- Adjusted gross income limit is \$36,614 for 2024

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- **To Be Eligible Must Meet All of the Following Requirements:**
  - ❖ Homeowners must have a current Homestead Exemption
  - ❖ Must be 65 years of age or older as of January 1<sup>st</sup> of the year filing
  - ❖ Proof of Age (FL Drivers License, FL Identification Card, Birth Certificate)
  - ❖ Sworn Statement of Adjusted Gross Income – Completed & Returned to Property Appraiser by **March 1<sup>st</sup> of the current tax year**
- Also, if you file a federal income tax return for previous year, a copy of filed return must be submitted to the Property Appraiser by **June**

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- Total \$\$\$ impact is unknown since the exemption is based on homeowner's income, don't know the number of homeowners that qualify for the exemption
- Every \$5,000 is a loss of \$20 based on the city's current millage of 3.9041
- Every \$25,000 exemption is a loss of \$100
  - If 100 homeowners, loss would be \$10,000
- Every \$50,000 exemption is a loss of \$200
  - If 100 homeowners, loss would be \$20,000



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- To implement the senior exemption the City must adopt an ordinance
- Ordinance must specify the exemption amount not to exceed \$50,000
- Timing
  - Pass Ordinance in 2024
  - Is enacted in the 2025 Tax Roll, which are the June 1, 2025, values
  - Is the City's FY26 Budget



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## • Council Decisions/Action

- Does City want to implement the Senior Exemption with Limited Income?
- If yes, dollar amount of the exemption?
- If yes, staff will prepare the ordinance for City Council adoption.

# Homestead Property Tax Exemption – Not Related to Senior Exemption

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- Ways & Means Committee proposed an amendment (**PCB\* WMC 24-01**) to the constitution to authorize the Legislature to increase the maximum amount of the exemption on homestead property from a \$25,000 to a maximum amount of \$50,000 for homestead property with an assessed value greater than \$50,000.
- House of Representatives Staff Analysis estimates that if voters approve the proposed constitutional amendment, the impact to local government property taxes in FY26 (the 1<sup>st</sup> year of implementation) will be approximately -\$1.0 billion to -\$1.1 billion, assuming current tax rates.
- The estimate loss of revenue for the City of Venice at the current tax rate (3.9041 mills) is \$804,000.

\* *PCB = Proposed Committee Bill Passed the House Ways & Means Committee January 8, 2024*

\* *It is now HJR 7015 (House Joint Resolution), in State Affairs Committee on Saturday, January 13, 2024*

# Homestead Property Tax Exemption – Not Related to Senior Exemption

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- Ways & Means Committee proposed an amendment (**PCB \* WMC 24-02**) to the Florida constitution requiring the \$25,000 of assessed value which is exempt from ad valorem taxes be adjusted annually for inflation.
- It would also apply to the increase in the existing \$25,000 assessed value amount which is exempt from ad valorem taxes in the proposed PCB WMC 24-01
- Further, if a future constitutional amendment provides for an exemption of an add'l amount of the assessed value from ad valorem taxes, annual inflation adjustments will begin on January 1 of the year following the effective date of that amendment.
- House of Representatives Staff Analysis estimates that if voters approve the proposed constitutional amendment (PCB WMC 24-02), the impact to local government property taxes in FY26 (the 1<sup>st</sup> year of implementation) will be approximately -\$23 million growing to approx. -\$173 million in FY2030-31, assuming current tax rates.
- The estimate loss of revenue for the City of Venice at the current tax rate (3.9041 mills) is \$78,000.

\* *PCB = Proposed Committee Bill Passed the House Ways & Means Committee January 8, 2024*

\* *It is now HJR 7017 (House Joint Resolution), in State Affairs Committee on Saturday, January 13, 2024*

# Homestead Property Tax Exemption – Not Related to Senior Exemption

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- Ways & Means Committee proposed an amendment (**PCB WMC 24-03**) to the Florida constitution to conform statutory changes for PCB WMC 24-01 & PCB WMC 24-02.
- 3 proposals: subject to approval by 60% of voters during the 2024 general election or earlier special election.
- The amendments proposed would take effect on January 1, 2025
- FL League of Cities sent a letter to Ways & Means Committee **opposing** these 3 bills, since these bills decrease ad valorem revenues, & simultaneously the cost of providing essential services continue to rise.