

**Frequently Asked Questions**  
**Amendment 1 (SB 4D and SB 1588) Implementation**  
**Florida Department of Revenue**

Last update: August 12, 2008

These FAQs contain general information offered by the Department to assist in the administration of Chapter 2007-339, Laws of Florida. See Emergency Rule 12DER08-21 Transfer of Assessment Limitation Difference; "Portability;" Sworn Statement Required, effective July 18, 2008

**Section A: Portability**

1/18/08    A1    What documentation is required from a person applying for the transfer of a homestead assessment limitation difference?

Each applicant will have to fill out Form DR-501T, "Transfer of Homestead Assessment Difference," in the office of the property appraiser of the county in which their new home is located. Required information on this form includes the date that the previous homestead was sold or no longer used as a homestead, the address and parcel identification number of the previous homestead, a list of all other owners of the previous homestead, an affirmative statement that none of the previous owners remained in the homestead and continued to receive a homestead exemption, and a sworn statement that he or she received the homestead exemption on the previous parcel. Form DR-501, "Original Application for Ad Valorem Tax Exemption" should also be completed to apply for the homestead exemption on the new homestead.

8/5/08    A2    What information will the property appraiser in the county where the new homestead is located rely on to calculate and grant the transfer?

It is likely that in most cases the applicant's new and old homestead will be in the same county. In this case, the property appraiser's records of the previous homestead should be used to determine eligibility and calculate the transfer amount. If the old homestead is located in a different county, the transfer application form (DR-501T) will be transmitted to that county by the new property appraiser together with a copy of the homestead application form. The previous property appraiser will complete Form DR-501RVSH, "Certificate for Transfer of Homestead Assessment Difference" providing details concerning the previous homestead sufficient to calculate the transfer amount.

1/18/08 A3 Can the property appraiser in the county where the previous homestead was located rely on the application for a transfer of a homestead assessment limitation difference as a sufficient statement for the removal of the homestead exemption on the previous homestead?

No. There may be a homeowner continuing to live in the home and qualifying for the exemption. The application for transfer may be in error. (see A8 and A9 below)

1/18/08 A4 If a homestead assessment limitation difference is transferred to a new homestead and it is subsequently found that the difference should not have been transferred or that the transferred amount was incorrect, how should the assessment be corrected?

The property appraiser should follow the procedures for the correction of errors found in s. 193.155(9) and (10), F.S. These sections provide for tax liens to be placed against the property, with notification to the taxpayer and, in certain instances, for penalties and interest on unpaid taxes.

1/18/08 A5 Can a person who sold a homestead in 2006 transfer the assessment difference to a new homestead established as of January 1, 2008?

No, the law does not provide for the transfer of homestead assessment limitation differences from homesteads abandoned prior to January 1, 2007. Section 193.155(8), F. S., states “A person who establishes 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 exemption on January 1, 2007”. The law also does not allow the transfer of an assessment limitation difference from a homestead abandoned in 2006 if the person received a homestead exemption on a new homestead on January 1, 2007 and subsequently abandoned that homestead and established a new homestead on January 1, 2008.

8/05/08 A6 Section 193.155(8)(c) and (d), F.S., provides the procedures for the transfer of the homestead assessment limitation difference when a homestead (either current or previous) is “jointly owned and jointly titled” by two or more persons. In applying these provisions, is there a difference between property held as “joint tenants with right of survivorship,” as “tenants in common” or held by married persons?

Yes. In situations where the title of the previous homestead contains specific ownership shares, each owner’s share of the assessment limitation difference is proportional to his/her ownership share in the property. When the title does not contain

specific ownership shares, the assessment limitation difference is divided equally by the number of owners who received the homestead exemption on the property. The only exception is when all the owners of the previous homestead jointly establish a new homestead with no additional owners, in which case the entire assessment limitation difference (up to a maximum of \$500,000) may be transferred, subject to rules for downsizing.

8/5/08 A7 With the passage of Senate Bill 1588, is there still a two-year eligibility requirement to establish a new homestead in order to transfer an assessment limitation differential?

Yes. A homeowner must establish a new homestead within 2 years (assessment years) of abandoning a previous homestead. This requirement has not changed. The requirement that a homeowner must have abandoned a previous homestead after January 1, 2007 also has not changed.

What did change in SB1588 is that homeowners may apply for portability in a future year on that new homestead if, for whatever reason, they failed to apply for portability in the year they established the new home as their homestead (S. 193.155(8)(j), F.S.). If they do apply for portability in a future year, any reduction in assessed value on the new homestead is applied to the assessed value in the year the transfer is first approved, and no refunds may be made for previous years.

**Example:**

Homesteader John Doe abandons his homestead (Property A) in March 2007 and establishes a new homestead (Property B) in April 2007. John Doe's previous homestead (Property A) had a homestead exemption and an assessment limitation differential of \$100,000. John Doe applies for and receives a homestead exemption on Property B for the 2008 tax year. However, John Doe does not apply for the transfer of his assessment limitation difference from Property A until February 2010. Under S. 193.155(8)(j), John Doe is eligible to transfer his assessment limitation differential from Property A to Property B for the (January 1) 2010 tax year (subject to any upsizing/downsizing/splitting/joining provisions). Any reduction in assessed value on Property B resulting from the transfer of the assessment limitation differential from Property A is only applicable for the 2010 tax year and any subsequent years John Doe qualifies for the homestead exemption on Property B. In addition, the amount of the assessment limitation difference that can be transferred is calculated based on the just value of Property B in the year in which John Doe established Property B as his homestead (in this example 2008) and not in the year in which he applied for the transfer of

his assessment limitation difference (in this example 2010).

- 8/12/08 A8 Is there any provision of law that would allow the transfer of a homestead assessment limitation difference when one or more owners remain in the previous homestead?
- Yes. Starting with the 2008 tax year, Section 193.155(8)(f), F.S. allows an owner of a homestead to abandon the homestead and reestablish the property as a new homestead even though it remains his or her primary residence by notifying the property appraiser of the county where the homestead is located. This provision allows owners who no longer live at the previous homestead to transfer their share of the assessment limitation difference and for the owners who remain in the previous homestead to transfer back in their share of the assessment limitation difference as of the next January 1, if the owner still residing at the previous homestead voluntarily abandons the homestead. When any transfer of an assessment limitation difference occurs, the previous homestead must be reassessed at just value on January 1 and the owner remaining in the homestead must reapply for the homestead exemption and apply to transfer their share of the assessment limitation difference.
- 8/5/08 A9 In order to transfer an assessment limitation difference, does the previous homestead have to be sold?
- No. The previous homestead must have been abandoned by all owners, but there is no requirement that there be a change of ownership of the property.
- 1/30/08 A10 If two people abandon a jointly owned homestead with an assessment limitation difference greater than \$500,000 and move to two separate homesteads, can they transfer their proportionate share of the previous homestead assessment difference as long as their individual share is not greater than \$500,000?
- No. The total reduction in just value for all new homesteads established by the owners of a single previous homestead may not exceed \$500,000. Therefore, the maximum assessment limitation difference that could be transferred by two previous joint owners of a single homestead establishing different homesteads is \$250,000 each.
- 2/13/08 A11 If two people who previously owned separate homesteads join in establishing a new homestead, can the assessment limitation difference that is transferred from the new homesteader with the highest transfer amount be fully transferred even if it exceeds the maximum transfer

amount of the other new homesteader?

Yes. The highest difference of the new homesteaders may be transferred, subject to the downsizing provisions and the \$500,000 maximum transfer limit. Note that if the new owners are joint tenants without right of survivorship or tenants in common, the calculation of the amount of assessment limitation difference that may be transferred must be based on the difference between the just and assessed values of each person's interest in the new property.

- 1/18/08 A12 If the previous homestead is qualified for both a homestead exemption and an agricultural classified use assessment, how is the amount of transfer to be calculated?

The amount eligible for transfer is equal to the reduction in value due to the limitation on homestead assessment increases. Therefore, the difference eligible for transfer is equal to the difference between just and assessed value on the homestead portion of the property.

- 2/13/08 A13 A previous homestead was jointly owned (titled) by two people on January 1, 2007. They abandoned the previous homestead and both moved to a new property in 2007. However, the new property is only owned (titled) by one of these individuals, who intends to establish the new property as his/her homestead on January 1, 2008. Since they both lived at the previous homestead and now both live at the new property, can they transfer the entire assessment limitation difference from the previous property to the new property in 2008?

No. One of the individuals is not on the deed for the new property and is therefore not eligible for a homestead exemption on the new property. In addition, since all the owners of the previous homestead are different than all the owners of the new homestead, this is not a "transfer without splitting or joining." Therefore, only the owner of the new homestead is eligible to transfer his/her share of the assessment limitation differential from the previous homestead, which is 50 percent, subject also to the provisions for upsizing and downsizing.

- 2/13/08 A14 What are the calculations for determining how much of an assessment limitation difference can be transferred from a previous homestead to a new homestead?

Specific examples showing the calculation of the assessment limitation difference under various circumstances can be found

at: <http://dor.myflorida.com/dor/property/portfaqexamples.pdf>

2/13/08 A15 If a homeowner sold a homestead in December 2006, purchased a new property in December 2006 and claimed a homestead exemption on the new property as of January 1, 2007, can that person transfer (port) the assessment limitation differential from the 2006 homestead to the new homestead in 2008?

No. Section 193.155(8), F.S. states that the following two conditions must be met in order to transfer an assessment limitation difference in 2008. First, the previous homestead must have received a homestead exemption on January 1, 2007. Second, the new homestead must qualify for a homestead exemption on January 1, 2008. In the scenario above, the new homestead (instead of the previous homestead) received a homestead exemption on January 1, 2007, so the owners are not eligible to transfer an assessment limitation difference.