

INTERESTING INFO ON PROPERTY TAXES

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It's time to end the debate and act on property taxes
By Senator Don Gaetz

The Legislature is on the clock to do something right about property taxes.

An October 30 deadline looms to place a constitutional amendment on the January 29 presidential primary election ballot.

The Governor, Senate and House have each proposed a version of property tax reform. The issue is complicated by the interlocking nature of property taxes, i.e. one person's exemption can become another's increase. Consequently, there has been serious research and significant debate about how to structure the best plan. Admittedly, there are those who have used this debate to stall action, confuse the issue, and, under the guise of searching for perfection, oppose any changes.

Though I'm a freshman senator and have much to learn from my experienced colleagues, I concluded months ago that Florida needs deeper, fairer, broader tax relief. It's time to end the debate and vote. It's time to act now to put meaningful tax reform on the ballot January 29.

Here's where I stand:

- * FOR increasing the homestead exemption. Either double it (Senate proposal) or peg the exemption at 40% of just value in each county (House proposal). The point is that inflation has substantially reduced the value of the \$25,000 homestead exemption in the years since it was passed. Alternatively, reduce the percentage of just value of all properties that is taxable.

- * FOR full portability of SAVE OUR HOMES so homeowners can upsize, downsize or just relocate without a huge penalty to the taxpayer and an unearned windfall to local government.

- * FOR capping non-homestead property taxes. I've co-sponsored an amendment to cap non-homestead increases at 3 percent per year. The House

passed a 5 percent cap. All Floridians need tax relief, not just some.

* FOR eliminating the tangible personal property tax up to \$25,000.

This

is a tax on the equipment used by people to make a living. Under this reform, one million small businesses would no longer pay this tax or pay accountants to file returns.

* FOR a 25 percent exemption for first time buyers to make it easier for

young families and those moving into our state to share the dream of home

ownership. This also helps solve the problem of two similar homes, one protected under SAVE OUR HOMES and the other for sale to a new buyer, being taxed at dramatically different rates.

* FOR treating military personnel returning from deployment as if they are

first-time homebuyers and entitled to the exemption explained above. I co-sponsored this amendment which is included in the Senate plan.

* FOR shifting at least some support for public education away from property taxes toward consumption taxes

* FOR eliminating the presumption of correctness now granted to Property

Appraisers. The recent experience of Bay County illustrates the problem. There, over \$600 million in inaccurate assessments and over valuations were

finally acknowledged by the Property Appraiser, but only after a near revolt

by taxpayers. Not every county is fortunate to have a Pete Smith.

* FOR assessing property based on actual use, not highest and best use.

* FOR a rolling five-year assessment average. If a "hot market" drives

values up again, those speculative spikes should be averaged into the previous four years' values. A "down market" should inure to taxpayers' immediate benefit. That will provide stability for taxpayers and stop local

government from assuming that a one-time tax windfall creates a recurring

spending opportunity.

* FOR caps on taxing and spending at the local and state government levels. Even though state revenues have increased at half the pace as

local governments have raised property taxes, fiscal discipline is needed at all levels of government.

Of course, I hope property tax reform includes all these elements.

Since it takes three fourths of both houses (that means a strong bipartisan supermajority) to put anything on the January 29 ballot, I recognize the final bill will not be styled to fit any one senator's priorities.

However, from the thousands of contacts I've had with property owners, I believe the reforms I'm advocating reflect the overwhelming sentiments of people I represent.

Other than a handful of insiders who live in Tallahassee, no one cares whether the Governor's plan, the Senate's plan, the House's plan --- or some combination --- is finally adopted. But if politics smothers reason and nothing is done in time for the January 29 election, everyone in both chambers in both parties will be blamed. If a reasonable, fair, understandable tax reform package is placed before the voters, there'll be plenty of credit to go around.

It's time to act.

Respectfully,
Senator Don Gaetz

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