

Portability



Upsize

Market/Just Value*	\$600,000
Less Portability Benefit	<u>-150,000</u>
Assessed Value	\$450,000
Less Homestead Exemption	<u>-50,000</u>
Taxable Value	\$400,000

General Information

Time Limits Apply

Application is required

Maximum portability transfer is \$500,000

Portability is available only in Florida counties

Portability may be used an unlimited number of times

*Values to be determined by the County Property Appraiser

Taxable value is multiplied by millage, which is determined by local governments each year

This example may not apply to all portability situations. Please contact our office for details.

Property Appraiser
Hillsborough County, Florida
www.hcpafl.org
813-272-6100

Portability benefit amount is the difference between market/just value* and assessed value



Existing Homestead

Market/Just Value*	\$400,000
Less Assessed Value (Value with 3% cap)	<u>-250,000</u>
Portability Benefit (37.5% of Market Value)	\$150,000

Downsize

Market Value*	\$200,000
Less Portability Benefit (37.5% of Market Value)	<u>-75,000</u>
Assessed Value	\$125,000
Less Homestead Exemption	<u>-50,000</u>
Taxable Value	\$75,000

Portability Frequently Asked Questions

Q: What is Portability?

A: Portability, officially known as the "Transfer of Homestead Assessment Difference", is the ability to transfer the dollar benefit of the Homestead CAP from one Homestead to another. The Homestead CAP is the difference between market value and assessed value, often known as the Save Our Homes Benefit.

Q: Do I have to sell my home before I can qualify for portability?

A: No, you only need to abandon (or give up) your existing homestead, meaning you may still own the property but no longer receive a homestead exemption on the property for the year you are attempting to get portability.

Q: Do I have to purchase a new property to get the portability benefit?

A: No, if you already own another property (2nd home, beach house, etc.) and establish your new homestead, you can remove (abandon) the homestead from the old property and apply for the portability benefit.

Q: Would my CAP amount be "portable" if I move to another county in Florida?

A: Yes. Portability is effective throughout the state.

Q: When do I apply for portability?

A: You typically apply for portability when you apply for the homestead exemption. There is a separate application for portability in addition to the homestead application.

Q: How do I apply for portability?

A: Fill out the DR-501T "Transfer of Homestead Assessment Difference" application when you file an application for your new homestead exemption. If you have already applied for the homestead exemption, you can download the portability application from our website, complete and submit it to the Property Appraiser's office.

Q: Is the Portability application different from the Homestead application?

A: Yes, presently these are two different applications and both must be completed to receive both homestead and portability.

Q: What information do I need to complete the Portability Application?

A: Required information on the Portability Application includes the date which the previous homestead was sold or no longer used as a homestead, the county, address and parcel identification number of the previous homestead, and a list of all other owners of the previous homestead.

Q: Do I have to be an owner to apply for portability?

A: Yes, you must be an owner on both the old home and the new home.

Q: Do both owners of a property need to sign the Portability Application?

A: Yes, if you both lived and had homestead on the previous parcel and are both moving and living at the new parcel, you both must sign the Portability Application.

Q: Can I also apply for additional exemptions such as widow/widower, disability or senior exemption if I use portability?

A: Yes. You still can apply and receive any additional exemption for which you qualify.

Q: What is the maximum amount of CAP I can transfer to my new property?

A: The maximum CAP amount you can transfer is \$500,000.

Q: How is the Save Our Homes CAP calculated?

A: The amount of the CAP is the difference between your Just (Market) Value and your Assessed Value. The difference between the market value and your assessed value is often called the "CAP differential" or "CAP savings." The amount of the CAP can vary from year to year depending on the value of your property.

Q: How do I know how much CAP I have to transfer or carry to my new homestead?

A: The amount of the CAP you can carry to your new homestead depends on whether you "up-size" (buy a higher valued property) or "downsize" (buy a lower valued property). The exact amount will be determined by the Property Appraiser's office after you file for homestead and Portability on your new residence.

Q: If I sell my home this year and purchase a new homestead in the same year, would I be able to transfer my CAP to the new homestead in time to reduce my tax bill this year?

A: No. If you sell (or abandon) your homestead and apply for a new homestead in the same year, your CAP portability would be applied in the following year.

Q: I co-own a homestead with a friend and we have a \$700,000 CAP. Can we each take \$350,000 to our separate new homesteads?

A: No. The maximum amount of CAP transfer from a single homestead is \$500,000. Therefore, the maximum that could be transferred by two previous joint owners of a single homestead establishing different homesteads is \$250,000 each.

Q: I own a property that has three (3) people receiving the homestead exemption. One owner has a 60% interest. The other two owners have a 20% interest each. If we sell and apply for portability, how will the portability amount be split or divided between our new homesteads?

A: The CAP amount would be allocated based on each owner's percentage of ownership.

Q: If the previous homestead has both a homestead exemption and an agricultural classification (Greenbelt), how is the amount of transfer to be calculated?

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

Q: After I've sold or abandoned my prior homestead, how long do I have to use my portability?

A: Florida Statute 193.155(8) states that may transfer your CAP if you have, "...received a homestead exemption as of January 1 of either of the 2 immediately preceding years." In other words, you may only go one tax year without having a homestead exemption in order to transfer your CAP. Thus, if you sell or abandon your homestead on December 31st 2013, then you must re-establish a homestead (own and use the property as your primary residence) by January 1 of 2015. On the other hand, if you sell or abandon your homestead on January 2, 2014, you would have until December 31, 2015 to re-establish a homestead. In either case, you have only missed one year of a homestead exemption. Note that in the first example the property owner has only about a year to re-establish a homestead, whereas in the second example, the property owner has almost two years to re-establish a homestead.

Q: I forgot to file for homestead when I bought my house 5 years ago. I had a CAP on the previous home I sold at that time. Is it too late to file for homestead and portability?

A: You can file for Homestead, which will be applied going forward. However, you cannot apply for portability because you did not have homestead in either of the preceding 2 years.

Q: I sold my home last year and just found out that my CAP was less than I thought it would be. Can I appeal last year's value to increase my CAP amount?

A: No, F.S. 194.011(6)(b) specifically precludes a taxpayer from petitioning to have the Just, Assessed, or taxable value of the previous homestead changed.

Q: After Portability is applied to my new home, are increases in assessed value still capped at 3% going forward?

A: Yes, increases to assessed value for all homestead property in Florida is capped at 3% or the change in the Consumer Price Index (CPI), whichever is less. Portability does not change that.

Q: My fiancé and I are purchasing a home together and we both have separate homesteads now. Can we use Portability to bring both of our CAP amounts to our new home?

A: The new legislation allows you to bring the higher of the two CAP amounts, but not both. You should both file a portability application and our office will determine which CAP amount is higher.

Q: I am newly married and my spouse is moving into my existing homesteaded property. He has a larger CAP amount on his former residence than I do on my present one. Can he bring his CAP to my homestead?

A: If he is on title on your parcel (part-owner) and he applies for and receives homestead, he can bring his CAP amount with him, but you would have to abandon your homestead and re-apply. This would essentially replace your existing CAP amount with his higher CAP amount.

Q: My wife and I were both owners of our former residence that we just sold. We bought a new home, but for estate planning purposes, we only put the new house in her name. Does Portability allow us to transfer 100% of the CAP from our former residence to the new residence?

A: No, since only your wife is on the deed for the new home, you can only transfer 50% of the CAP from the former residence.

Q: If my spouse and I own a property and we get divorced, can I use portability to take my CAP with me to a new home, even if my spouse remains in the former home we both shared?

A: You can only take your portion of the CAP to a new homestead if your former spouse abandons the homestead on the prior residence. This must be done by filing the form, Designation of Ownership Shares of Abandoned Homestead, 501TS with the Property Appraiser's Office. If he or she does this, they could immediately re-apply for homestead on that same prior residence and apply his or her portion of the CAP to the assessment.

Q: I am in the process of getting a divorce. How will this affect the Homestead CAP on the marital home?

A: When a husband and wife divorce, they can split the CAP. Both parties must agree, otherwise the CAP remains on the marital home. If both parties agree, legislation requires that the CAP amount of the prior homestead be divided equally among the owners, unless husband and wife agree to allocate a different percentage for each owner. A form designating the percent assigned to each party must be filed with the Property Appraiser's Office. Once the designation of percentage is filed with the Property Appraiser, it is irrevocable.

Revised 05/30/2013