



HOMEOWNER'S GUIDE TO PORTABILITY

Bartow Office

255 North Wilson Avenue
Bartow, FL 33830
Ph: (863) 534-4777

Lakeland Office

930 E Parker Street, Suite 272
Lakeland, FL 33801
Ph: (863) 802-6150

Lake Alfred Office

200 Government Center Blvd
Lake Alfred, FL 33850
Ph: (863) 401-2424

WHAT IS PORTABILITY?

The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with Homestead Exemption. Known as 'Save Our Homes', the law prevents assessed value of homestead property from increasing more than 3% annually, or the change in the Consumer Price Index (CPI), whichever is less. The accumulated tax savings that may result from the difference between assessed value, and how much the property would sell for in the current market (just value), is referred to as the 'Save Our Homes' benefit.

Effective January 1, 2008, Florida's Portability Law (193.155(8), F.S.) allows property owners to transport the accumulated 'Save Our Homes' benefit (up to \$500,000) earned on a previous homestead property (in any Florida county) to their new home as long as the new homestead is established within three years of relinquishing the old homestead.

Previously, the Save Our Homes (SOH) benefit did not transfer when a homesteaded property was sold.



UPSIZE



Market Value: \$500,000
SOH Benefit: \$0
Assessed Value: \$500,000

DOWNSIZE



Market Value: \$200,000
SOH Benefit: \$0
Assessed Value: \$200,000

Now with Portability, the accumulated Save Our Homes (SOH) benefit transfers (up to \$500,000) to a new homestead property within 3 years.



UPSIZE



Market Value: \$500,000
SOH Benefit: \$150,000
Assessed Value: \$350,000

DOWNSIZE



Market Value: \$200,000
SOH Benefit: \$100,000
Assessed Value: \$100,000

FREQUENTLY ASKED QUESTIONS

When do I apply for portability?

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

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

You must apply for homestead on your new residence within 3 years after abandoning the homestead on your prior residence to qualify for portability.

How do I apply for portability?

Complete the "Transfer of Homestead Assessment Difference" DR-501T application. This can be done at the same time when you submit your new homestead application. If you have already applied for homestead, submit your portability application online at www.polkpa.org.

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

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

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

No, you only need to abandon your existing homestead.

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

No, if you already own another property and establish your new homestead, you can remove the homestead from the old property and apply for the portability benefit.

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

Yes, portability is effective throughout the state.

Can I port a savings from another state?

No, portability applies only for State of Florida homestead exemptions.

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

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.

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?

You can file for Homestead, which will be applied going forward. However, you are ineligible for portability because you did not have homestead in any of the preceding 3 years.

F.A.Q CONTINUED

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?

No, Section 194.011 (6) (b), Florida Statutes specifically precludes a taxpayer from petitioning to have the Just, Assessed, or Taxable value of the previous homestead changed.

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

Yes, if both lived and had homestead on the previous home and are both moving and living at the new home, you both must sign the application.

I own a property that has three (3) people receiving the homestead exemption. One owner has a 60% interest. The other two have a 20% interest each. If we sell, how will the portability amount be split?

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

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

If your spouse is on the title to your parcel and they apply for and receive homestead, your spouse can bring their CAP amount with them, but you will have to abandon your homestead and re-apply. This would essentially replace your existing CAP with your spouse's higher CAP amount.

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?

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. In order to transfer 100% of the CAP, you and your wife must have filed the form Designation of ownership Shares of Abandoned Homestead (DR501TS) in the county where the previous homestead was located, before applying for homestead and port on the new home.

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?

If they are unwilling to abandon the prior homestead, you cannot take your half of the CAP with you. If your ex-spouse abandons their homestead, they could immediately re-apply for homestead on the same prior residence and apply for their portion of the CAP, you could then transfer your portion of the CAP to your new homestead.

I owned property with my ex-spouse. I was awarded the home in the divorce. The home was sold, and we each purchased a new homestead. Since I was awarded the home in the divorce, is my ex-spouse entitled to any of the former cap? And, how is the portability amount split.

Your spouse is entitled to half of the CAP from the former residence. Timing could be an issue, contact our office for clarification.

My fiance' 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?

Legislation allows you to bring the higher of the two CAP amounts, but not both. Contact our office to determine which CAP amount is higher.