

Property Taxes: Homestead Distribution and Benefits

House Select Committee on Property Taxes
September 22, 2025
Final

Presented by:

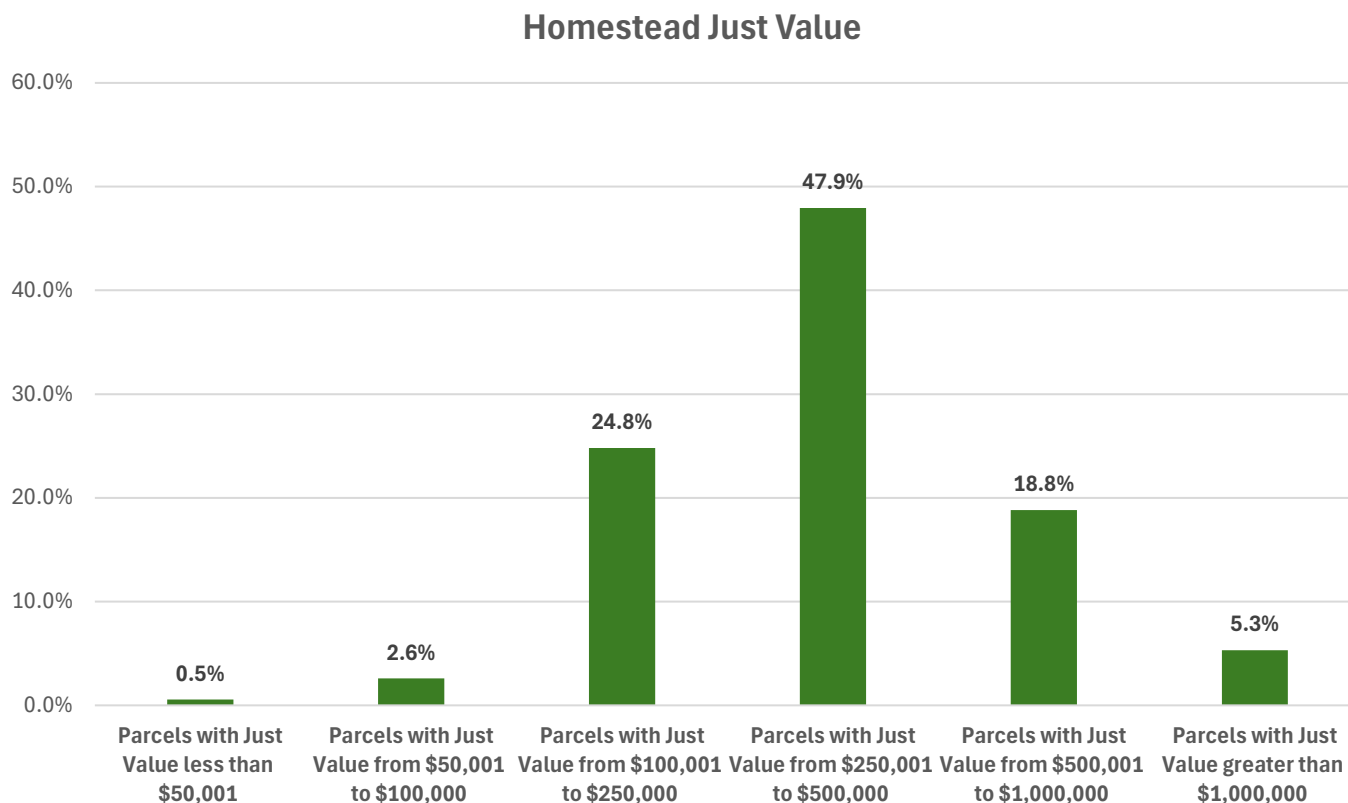


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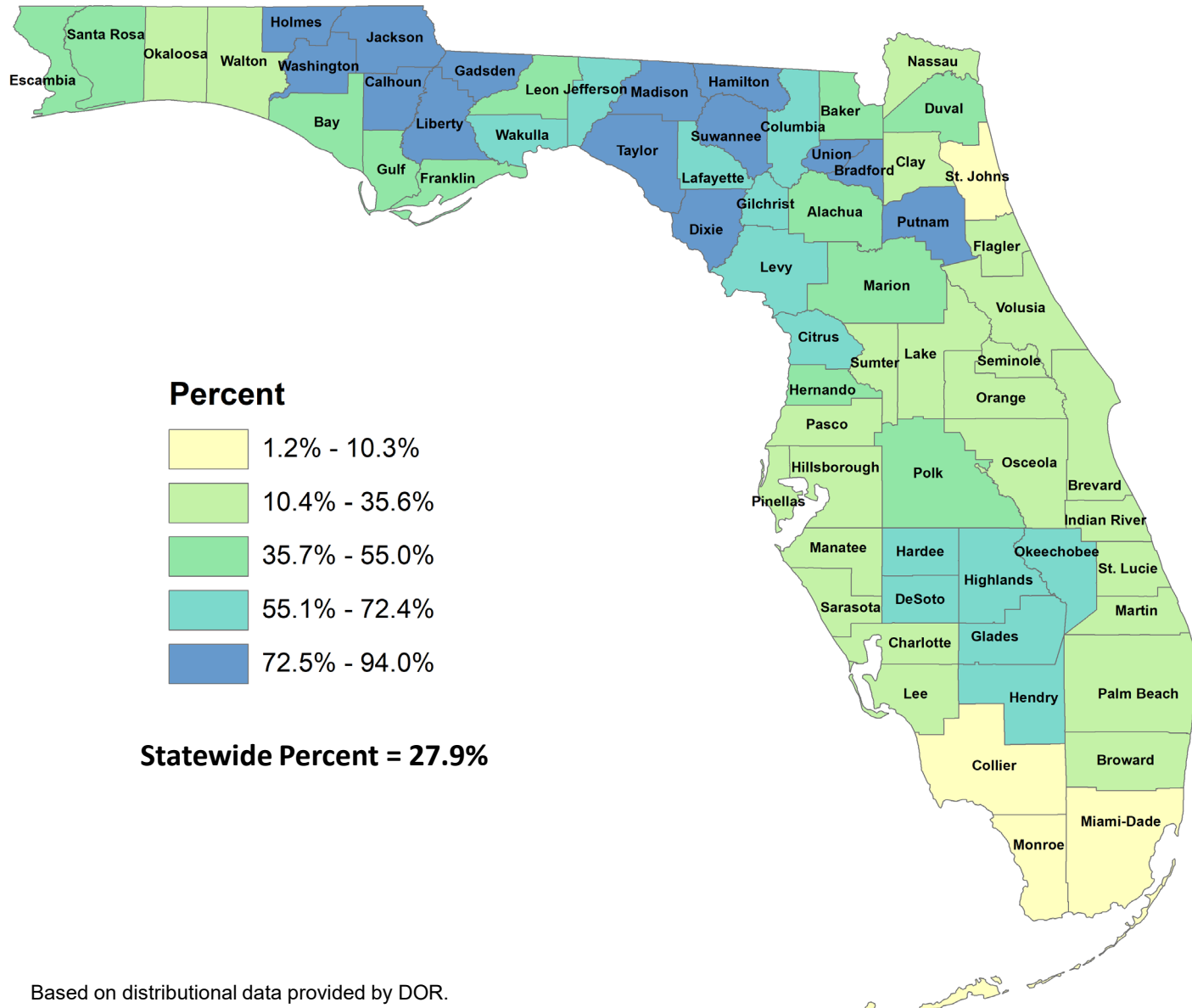
Framework

Homestead Parcels...

In 2025, homestead parcels were about 47% of the state's 11 million parcels. The statewide median just value for homesteads was \$337,907 and the mean was \$457,556, but the results differed significantly across counties.

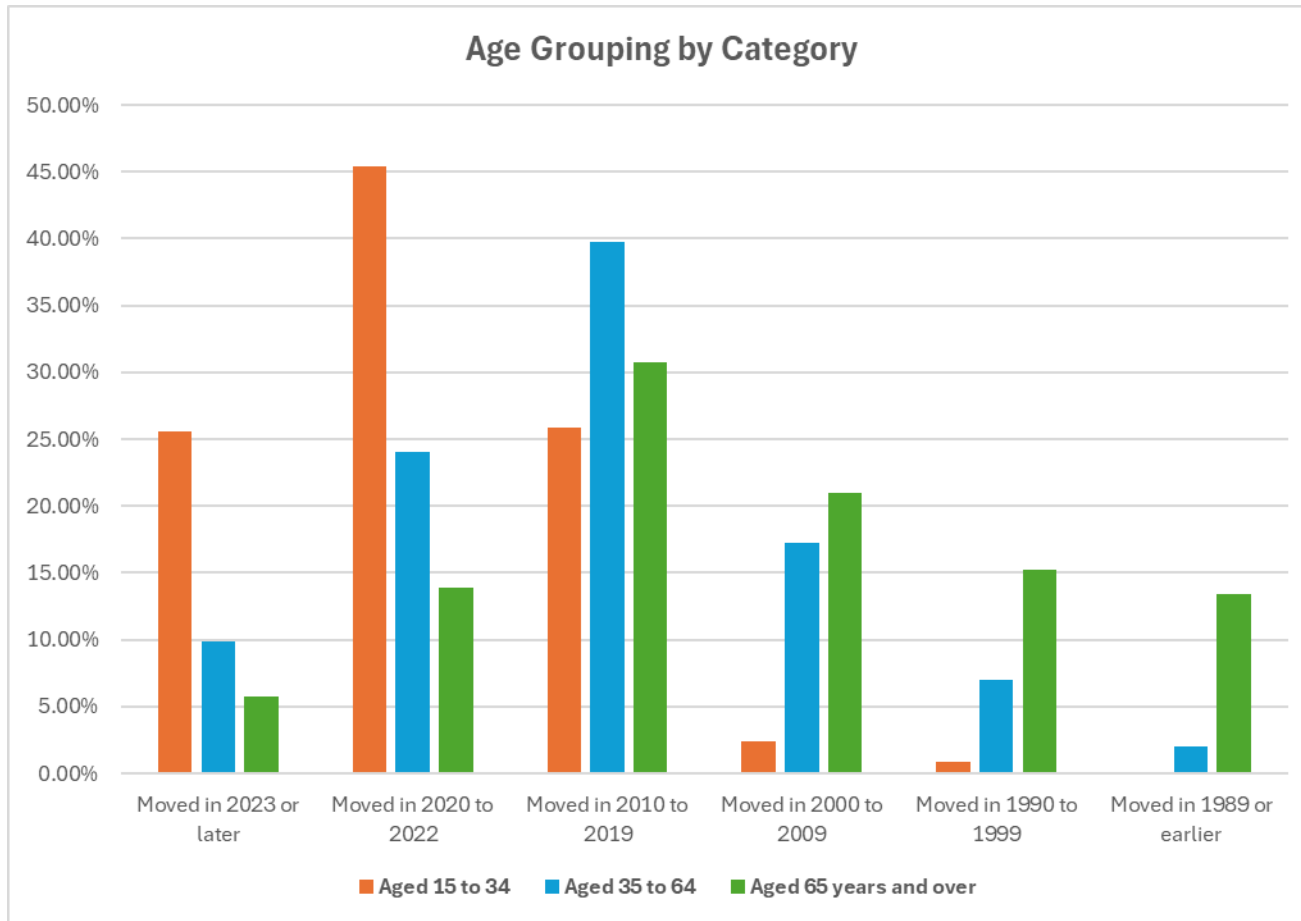


Percent of Homestead Parcels in County with JV = \$250,000 and Below



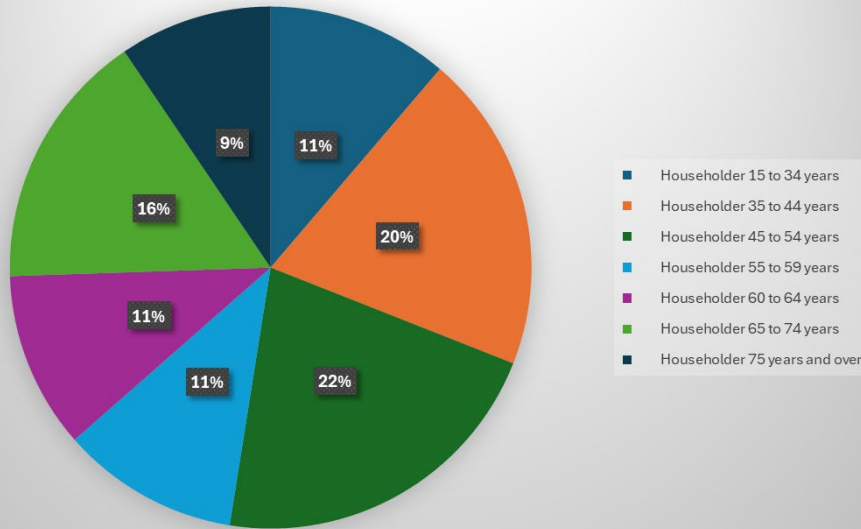
Based on distributional data provided by DOR.

Homestead Tenure Interacts with Age...

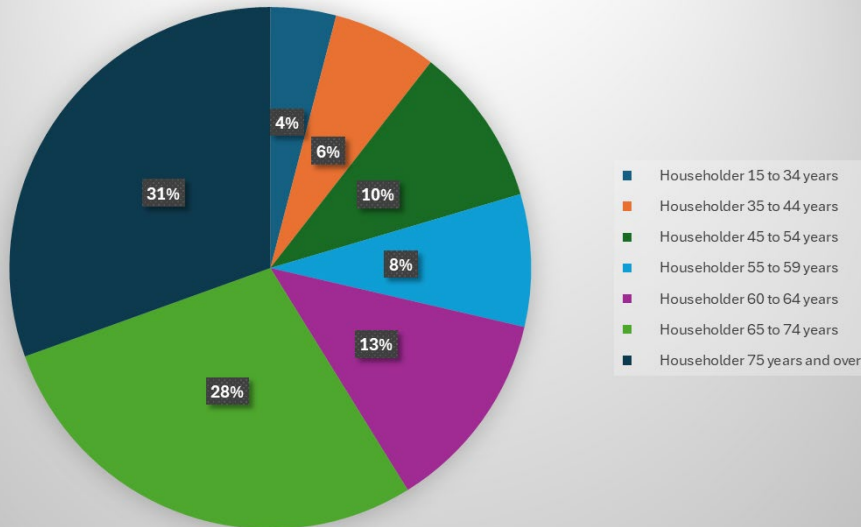


Tax Timing Difference: Escrow and Age...

Florida Housing Units with a Mortgage



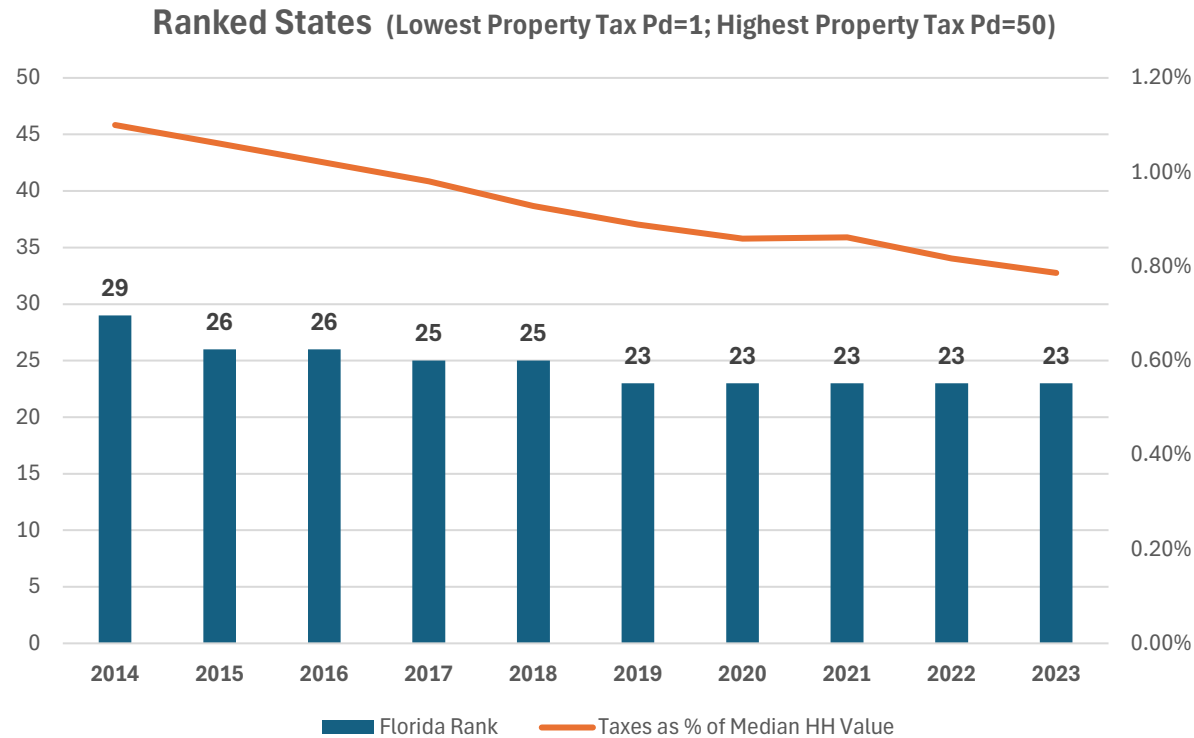
Florida Housing Units without a Mortgage



- Along with mortgage payments and insurance premiums, property taxes are typically a part of escrow accounts which are paid monthly.
 - Using data from the American Community Survey, approximately 55.8% of all owner-occupied housing in Florida has a mortgage.
 - Based on the National Survey of Mortgage Originations Public Use File, about 83.2% of that subgroup likely has an escrow account.
 - This suggests 46.5% of all owner-occupied housing in Florida has an escrow account.
- For the 44.2% living in owner-occupied housing without mortgages, they would typically make lump sum payments for their property taxes. Studies have shown they are more attentive to property taxes.
- Almost two-thirds of seniors in owner-occupied housing have no mortgages.

Mortgage Held by 65+	886,817	35.4%
No Mortgage Held by 65+	1,615,641	64.6%
	<u>2,502,458</u>	

Homestead Property Tax Compared to Other States...



- EDR calculations and display using detailed data provided to EDR by the Tax Foundation.
- Red Line = property taxes paid as a percentage of owner-occupied housing value (median).
- Blue Bars = Florida's ranking among states over time, with the value of the lowest property taxes paid as a percentage of owner-occupied housing set equal to 1.

Benefits

High Level Overview...

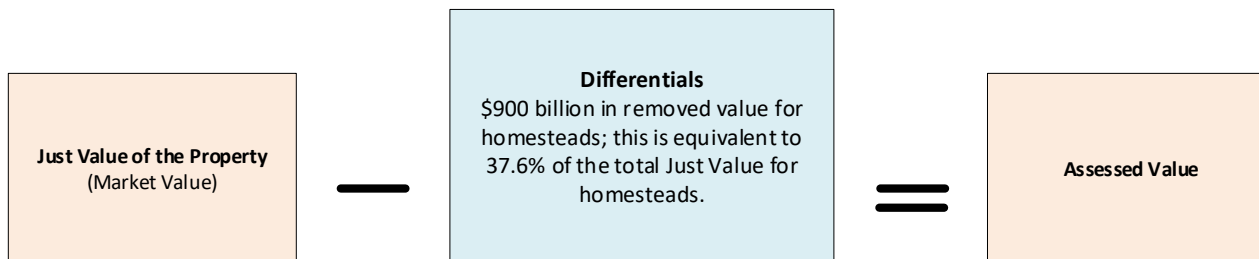
County Taxable Value--Real Property		ALL	Non-Homestead	Homestead	Homestead Share of All
Just Value		5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Taxable Value		3,290,944.5	2,104,019.5	1,186,925.0	36.1%
Difference from JV		-1,855,884.7	-653,434.2	-1,202,450.5	
		-36.1%	-23.7%	-50.3%	
Just Value		5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Differentials		-1,242,383.7	-343,034.6	-899,349.1	72.4%
Assessed Value		3,904,445.5	2,414,419.0	1,490,026.5	38.2%
Exemptions		-613,501.0	-310,399.5	-303,101.5	49.4%
Taxable Value		3,290,944.5	2,104,019.5	1,186,925.0	36.1%
School Taxable Value--Real Property		ALL	Non-Homestead	Homestead	Homestead Share of ALL
Just Value		5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Taxable Value		3,641,312.4	2,323,176.7	1,318,135.7	36.2%
Difference from JV		-1,505,516.8	-434,277.0	-1,071,239.8	
		-29.3%	-15.7%	-44.8%	
Just Value		5,146,829.2	2,757,453.7	2,389,375.5	46.4%
Differentials		-984,630.0	-87,343.0	-897,287.0	91.1%
Assessed Value		4,162,198.8	2,670,110.7	1,492,088.1	35.8%
Exemptions		-520,886.4	-346,933.9	-173,952.5	33.4%
Taxable Value		3,641,312.4	2,323,176.7	1,318,135.7	36.2%

Homestead Differentials...

A differential is designed to benefit certain Florida property taxpayers by removing an amount of property value for which the property owner will not have to pay taxes. Functionally, they are used to address how the Assessed Value is derived by creating various assessment limitations and adjustments. Reducing homestead just value by an overall 37.6%, homesteaders garner 72.4% of all value that is removed by differentials.

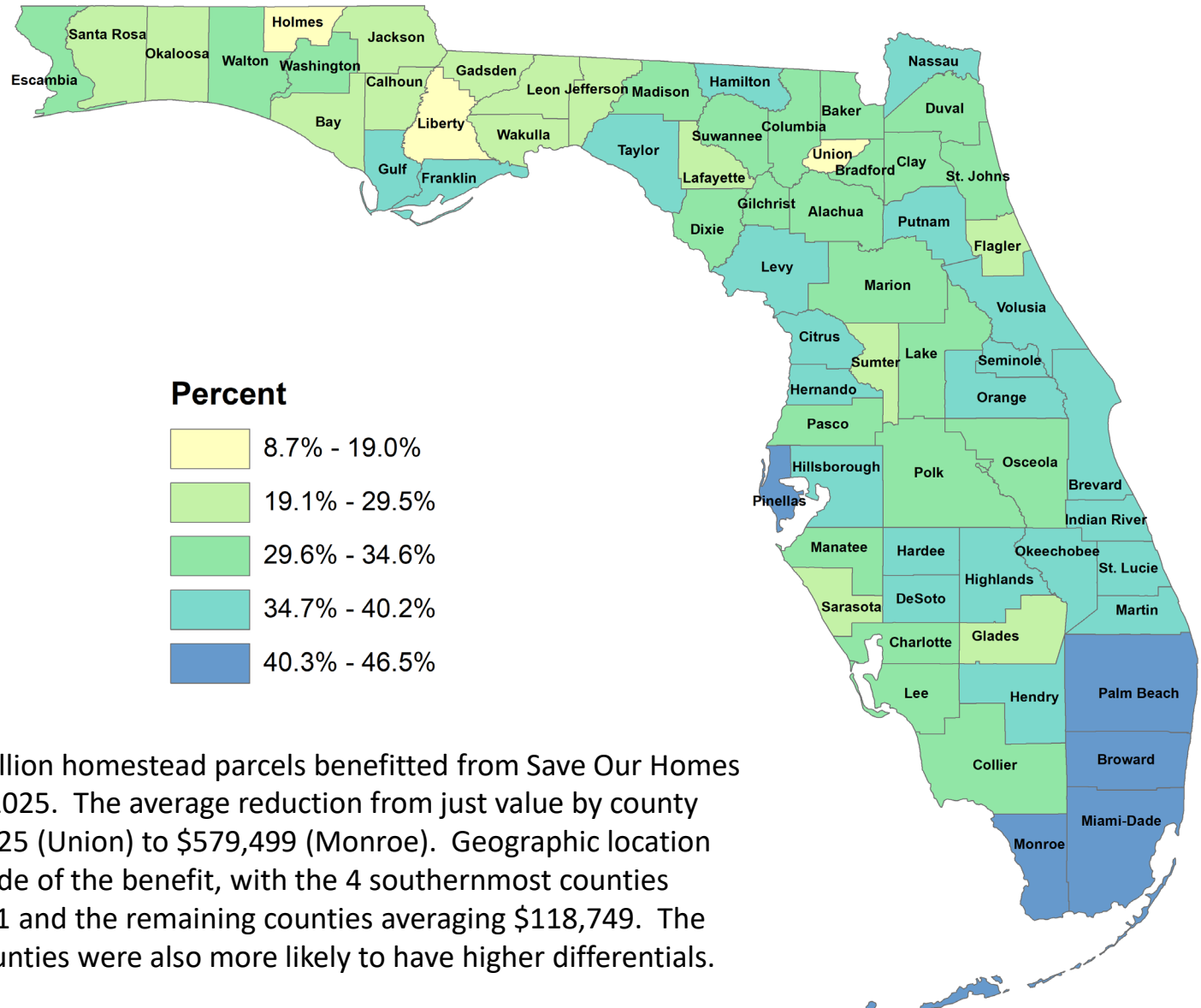


- **Save Our Homes (SOH)** is a Florida constitutional protection that limits annual increases in a homestead property's assessed value to 3% or the percentage change in the Consumer Price Index (CPI) from the previous year, whichever is lower. This creates a significant difference between market value and assessed value for longtime homeowners, as the overall benefit tends to increase with tenure in the home. In this manner, taxpayers are shielded from large increases in market value.
- **Portability** allows a homeowner to transfer up to \$500,000 of a previously accrued SOH tax benefit to a new homestead, so long as the taxpayer had a homestead exemption as of January 1 in any of the 3 immediately preceding years.



Homestead Differentials Across the State...

Percent of County Homestead JV Removed by Differentials

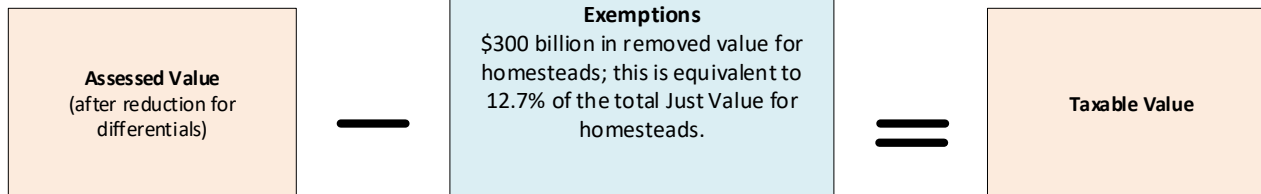


Statewide, 4.65 million homestead parcels benefitted from Save Our Homes and Portability in 2025. The average reduction from just value by county ranged from \$16,725 (Union) to \$579,499 (Monroe). Geographic location drove the magnitude of the benefit, with the 4 southernmost counties averaging \$374,391 and the remaining counties averaging \$118,749. The eastern coastal counties were also more likely to have higher differentials.

Homestead Exemptions...

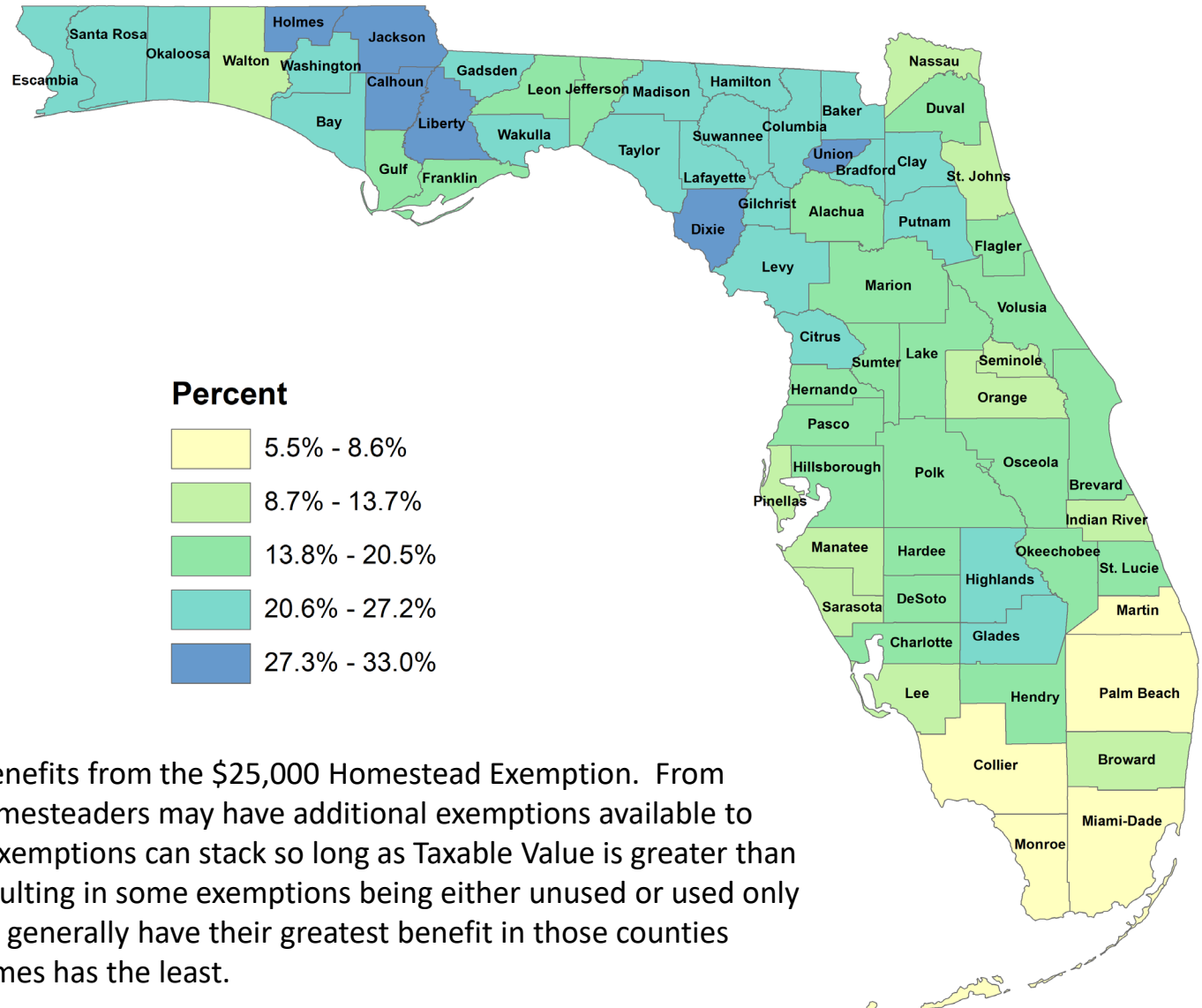
An exemption is designed to benefit certain Florida property taxpayers by providing tax relief to qualifying owners. Functionally, they are used to reduce Assessed Value by treating certain specified or calculated amounts as effectively non-taxable. Reducing homestead just value by an overall 12.7%, homesteaders garner 49.4% of all value that is removed by exemptions.

Homesteads: Exemption Title	Billions \$	Percent \$	Parcels
\$25,000 Homestead Exemption	128.6	42.4%	5,151,621
Additional \$25,000 homestead exemption adjusted annually based on the Consumer Price Index	121.1	40.0%	4,865,803
Exemption for service-connected totally and permanently disabled veteran or surviving spouse; surviving spouse of veteran who died while on active duty	36.3	12.0%	141,389
County additional homestead for persons 65 and older	8.4	2.8%	232,218
Remaining Exemptions each (<1% of \$ total)	8.6	2.9%	-



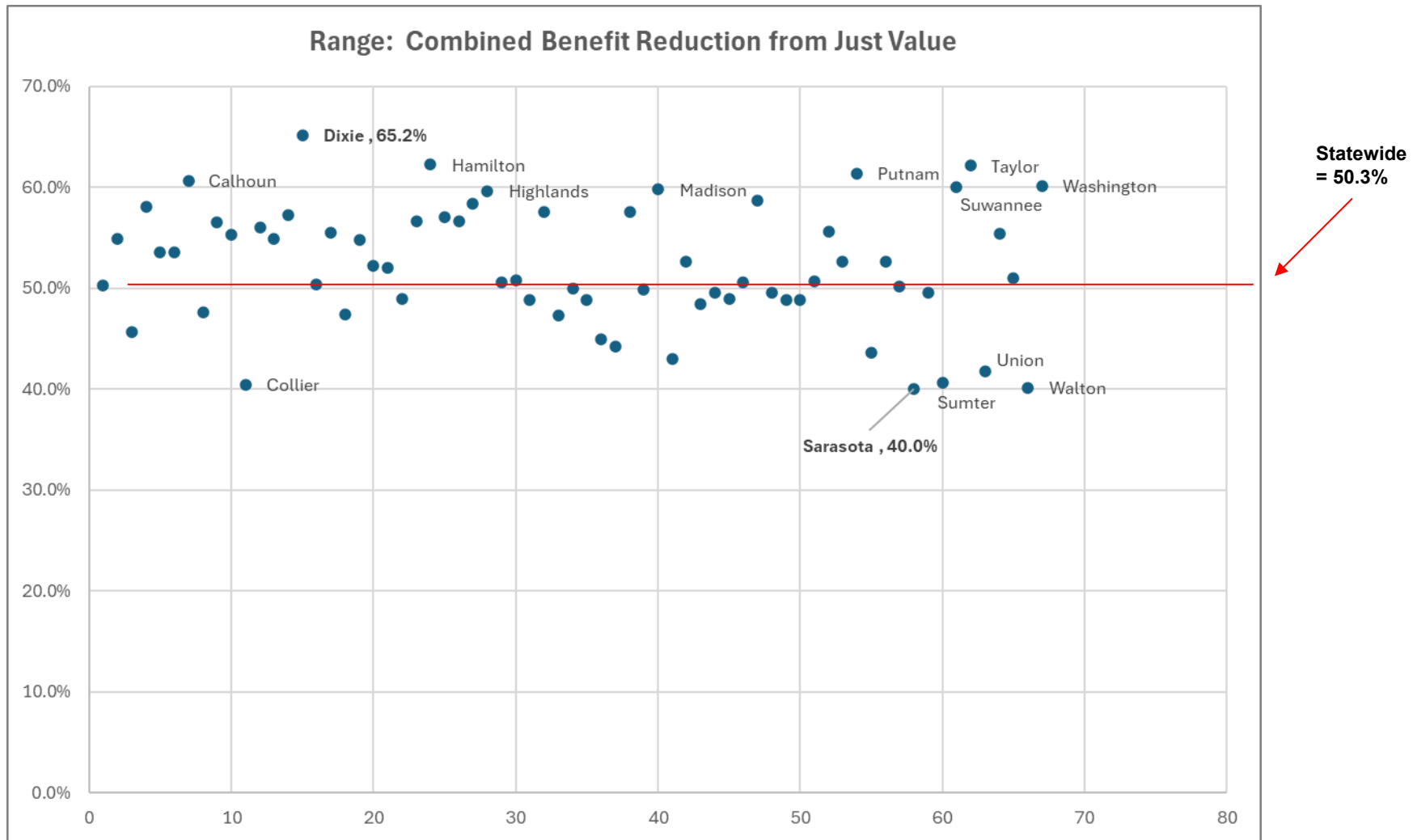
Exemptions Benefitting Homesteads...

Percent of County Homestead JV Removed by Exemptions



Every homestead benefits from the \$25,000 Homestead Exemption. From there, qualifying homesteaders may have additional exemptions available to them. The various exemptions can stack so long as Taxable Value is greater than or equal to zero, resulting in some exemptions being either unused or used only in part. Exemptions generally have their greatest benefit in those counties where Save Our Homes has the least.

Combined Homestead Benefits from Differentials and Exemptions...



Combined Percent Reduction of County Homestead JV from Benefits

