



Real Estate Round Table Employing Year-End Property Tax Strategies Can Lower Tax Bills

By Michael Hagen



The fourth quarter is the prime time for real estate owners to conduct a property tax checkup, as the timely use of recognized property tax strategies may yield significant savings. This column will spotlight some simple techniques to review and pertinent deadline dates to consider.

NOVEMBER 1

If you did not receive your property tax bill in the first week of November, it's possible it went to the wrong address. Go to the tax collector's Web site (www.leetc.com) and search by name, address or 16-digit STRAP number to obtain your 2006 tax amount. If your address is incorrect, promptly notify both the tax collector and the property appraiser (www.leepa.org) using their online address change systems.

Note: The failure to receive a property tax bill is not a legally recognized excuse for nonpayment. Also, the sooner you pay, the more you can save: 4% in November, 3% in December and so on, until the non-discounted, full payment is due in March.

DECEMBER 11

If you want to challenge a property tax assessment, you've already missed the deadline to file an administrative appeal to the local Value Adjustment Board (VAB). That deadline is usually mid-September, as it is always 25 days after the TRIM Notices are mailed (or 25 days from the mailing date of a revised notice). Otherwise, the only remedy may be to file a tax appeal in Circuit Court (by Dec. 11 for 2006 taxes). The Circuit Court has no jurisdiction over late filed tax appeals and such untimely appeals are almost certain to be dismissed.

JANUARY 1

This is Florida's property tax assessment date, as set forth in Florida Statute 192.042. The property appraiser, in essence, takes a "snapshot"

of the property as of that key date that will control its assessment status for the entire year.

Key determinations made on January 1 include: (1) entitlement to agricultural classifications; (2) qualification for homestead exemptions/Save Our Homes; and (3) a determination of whether new construction is "substantially completed."

- **Agricultural Classifications or Exemptions.**

While the tax savings from an AG classification can be tremendous, the agricultural use must be physically in place on Jan. 1 in order to qualify, not merely contemplated. You have until March 1 to apply for this exemption.

Note: The fact that the land is not agriculturally zoned does not unilaterally prevent you from obtaining an AG classification.

- **Substantial Completion.**

Timing new construction to be completed after Jan. 1 can delay the property appraiser's assessment of a building until the following year. (See Florida Statute 192.042) In other words, if a building is "substantially completed" on January 1, its value is assessed on that year's tax roll. Typically, a building that has been issued a certificate of occupancy is considered substantially completed. Otherwise, it will be assessed as "land value only" for that current year. In some cases, determinations about completion may be open to debate. Therefore, it's advisable to consult an attorney for specific advice.

- **Timing The Closing.**

The property appraiser will consider calendar year 2006 sales in preparing his 2007 assessments. A sale that greatly exceeds the 2006 assessment should be

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considered for postponement until early 2007 if possible, so it will not be used for property tax purposes until 2008. Check with your CPA for more on federal tax timing.

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