

# WHERE WE STAND

## PROPERTY TAX RELIEF

### Issue:

Florida's growing economy and subsequent booming real estate market have led to significant increases in property taxes collected by local government. Rather than return this windfall to taxpayers, local governments are choosing to spend this money on new and expanded government projects. This out-of-control spending, coupled with the shifting of the property tax burden to Florida employers, is threatening Florida jobs, our ability to attract and retain employers and the competitiveness of our business climate.

### Background:

Florida's employers have, once again, been saddled with double-digit property tax increases. A recent Florida Chamber survey of the business community revealed 67 percent of responding businesses indicated their property tax increases will exceed 20 percent, and 85 percent indicated property taxes are growing faster than their revenues. From 2000 – 2006, Floridians' personal income only rose by 39 percent, while during the same period the cumulative growth rate for property taxes levied equaled 80 percent for counties, 98 percent for cities and 110 percent for special districts.

Local governments have a spending problem. While regularly claiming they are "living within their means" or even "lowering property taxes," they are actually collecting and spending millions more in new tax dollars compared to the previous year. According

to preliminary data from the Florida Department of Revenue:

- Property tax revenue collected in 2006 will increase 18.5 percent statewide.
- Thirty-two counties have increased their property tax by 20 percent or more.
- Three counties have increases greater than 35 percent.

### Solution:

The Florida Chamber supports halting extraordinary property tax increases and the continued shifting of the property tax burden onto business property.

Property taxes collected by local government in 2006 will equal a staggering 30 billion dollars, even greater than the revenue collected from sales taxes.

This out-of-control government spending is being paid for not only by the business community but also by renters, second homeowners, first-time homebuyers and those changing residences. The problem is so acute that even those protected by the Save Our Homes property tax cap are calling for property tax relief through portability of their tax savings, and even increasing the homestead exemption. Comprehensive property tax relief for Florida taxpayers should be based on holding local government more accountable for extraordinary property tax increases and requiring them to prioritize their spending decisions.

The Florida Chamber of Commerce, representing more than 139,000 employers, is the state's largest and most powerful federation of businesses, chambers of commerce and associations. Established in 1916, the Chamber works within the legislative, judicial and executive branches of state government to advance *Florida's Business Agenda*, which contains issues that are critical to the continued improvement of Florida's business climate.

For more information, visit [www.floridachamber.com](http://www.floridachamber.com).

