



Application of Homestead Exemption on Classified Use Properties

On May 6, 2022, the Governor approved Chapter 2022-97, Laws of Florida, effective July 1, 2022. Section five of this legislation amends 196.031, Florida Statutes (F.S.), to clarify the application of homestead exemptions listed in that section to include portions of the homestead real property and contiguous real property assessed solely on the basis of character or use. The clarification applies to real property in agricultural use (193.461 F.S.) or under conservation easements (193.501 F.S.) and historic properties (193.503 F.S.).

The Department of Revenue is providing the following guidelines to assist property appraisers with implementing this law.

1. Homestead parcels with additional value

Q. How do I calculate the homestead exemption for a parcel with classified use (classification as agricultural, conservation easement or historical)?

A: Sum the homestead, agricultural classified use, conservation easement and historical classification assessed values of the homestead parcel; if the calculated assessed value is greater than \$50,000, the second exemption equals the amount above \$50,000 not to exceed an additional \$25,000.

Example 1a:	Total Just Value	\$244,294
	Total Assessed Value	\$90,282
	Homestead Assessed Value	\$49,995 (Applicable to exemption calculation)
Assessed Value for Non-Homestead Residential Property		\$24,843
Assessed Value of Land Classified Agricultural		\$15,444 (Applicable to exemption calculation)
Assessed value applicable to homestead exemption		\$65,439 (49,995 + 15,444)
1st homestead exemption		\$25,000 (First 25,000 of applicable value)
2nd homestead		\$15,439 ((65,439 – 50,000) is < 25,000)
Taxable Value		\$49,843 (90,282 – (25,000 + 15,439))
Example 1b:	Total Just Value	\$521,320
	Total Assessed Value	\$90,900
	Homestead Assessed Value	\$54,060 (Applicable to homestead exemptions)
Assessed Value for Non-Homestead Residential Property		\$ 0
Assessed Value of Land Classified under s. 193.501, F.S.		\$36,840 (Applicable to homestead exemptions)
Assessed value applicable to homestead exemption		\$90,900 (54,060 + 36,840)
1st homestead exemption		\$25,000 (First 25,000 of applicable value)
2nd homestead		\$25,000 ((90,900 – 50,000) is > 25,000)
Taxable Value		\$40,900 (90,900 – (25,000 + 25,000))

Application of Homestead Exemption on Classified Use Properties, p. 2

2. Contiguous Parcels

Q: How do I apply the homestead exemption to a contiguous parcel?

A: If a homestead property's assessed value is not sufficient to allow the exemptions described in s. 196.031(1)(a) and s. 196.031 (1)(b), F.S., the exemptions can be applied to contiguous parcels. The new provision in s. 196.031(5), F.S. allows the application of homestead exemptions listed in s. 196.031, F.S. to include portions of the homestead real property and contiguous real property assessed solely on the basis of character or use, whether for agricultural use (193.461 F.S.), conservation easement (193.501 F.S.), or as historic properties (193.503 F.S.)).

3. In Combination with Other Exemptions

Q: How will homestead exemption apply when the parcel receives other exemptions such as for widows, veterans, etc.?

A: Unless the homestead property is totally exempt from ad valorem taxation, the first \$25,000 and second \$25,000 homestead exemptions shall be applied first before other homestead exemptions, which shall then be applied in the order that results in the lowest taxable value. (s. 196.031(8), F.S. as renumbered by chapter 2022-97, s. 5, L.O.F. If the homestead property's assessed value is not sufficient to allow the exemptions in s. 196.031(1)(a) and s. 196.031 (1)(b), F.S., those exemptions can be applied to contiguous parcels under subsection (5). In this situation, the other homestead exemptions in subsection (8) would not be applicable. In this respect, the new law did not alter the operation of that subsection.

Reference: Sections 196.031(1)(a) and s. 196.031 (b), Florida Statutes.

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance. Please refer to the referenced Florida Statutes for further information.