



Overview

Effective January 1, 2024, Section 8 of Chapter 2023-17, Laws of Florida (L.O.F.), enacts subsection 196.1978(3), Florida Statutes (F.S.), to create an ad valorem tax exemption for portions of a property with rent-restricted units within newly constructed affordable housing multifamily projects.

Exemption Requirements

Portions of property in a multifamily project are considered to be used for a charitable purpose and are eligible to receive an ad valorem property tax exemption if they:

- Provide affordable housing to persons or families meeting specified income limitations.
- Are within a newly constructed multifamily project containing more than 70 units dedicated to housing persons or families meeting specified income limits. “Newly constructed” is defined as an improvement to real property substantially complete within five years before the date of an applicant’s first submission of a request for certification or an application for exemption pursuant to s. 196.1978(3), F.S., whichever is earlier.
- Are rented for an amount not exceeding the amount specified by the most recent multifamily rental programs income and rent limit chart posted by the Florida Housing Finance Corporation (FHFC), derived from the Multifamily Tax Subsidy Projects Income Limits published by the United States Department of Housing and Urban Development or 90% of the fair market value rent determined by a rental market study meeting the requirements of s. 196.1978(3)(m), F.S., whichever is less.
- Obtain a certification notice from FHFC certifying the property meets the eligibility requirements.

Exemption Amounts

Properties applying for this exemption can either be 75% exempt or 100% exempt depending on the annual household income of the person or family living in the unit.

75% Exempt

- Annual household income is greater than 80 percent but not more than 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides, must receive an ad valorem property tax exemption of 75 percent of the assessed value.

100% Exempt

- Annual household income does not exceed 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area or, if not within a metropolitan statistical area, within the county in which the person or family resides, is exempt from ad valorem property taxes.

How to Apply

This exemption must be applied for on a form prescribed by the Department of Revenue by March 1 each year, beginning in 2024. The application must be accompanied by a certification notice from the FHFC to the property appraiser. The property appraiser shall review the exemption application and determine if the applicant is entitled to an exemption. A property appraiser may grant an exemption only for a property for which the FHFC has issued a certification notice.

Property receiving the county and municipal affordable housing exemption pursuant to s. 196.1979, F.S. is not eligible for this exemption.

Affected Rules and Forms:

The following forms will be affected based on the law change:

- Form DR-504AFH, *Ad Valorem Tax Exemption Application and Return for Multifamily Project and Affordable Housing Property*
- Form DR-403EB, *The 20XX Ad Valorem Assessment Rolls Exemption Breakdown of ___ County, Florida*
- Form DR-403V, *The 20XX Revised Recapitulation of the Ad Valorem Assessment Roll Value Data*
- Form DR-489EB, *The 20XX Ad Valorem Assessment Rolls Exemption Breakdown of ___ County, Florida*
- Form DR-489V, *The 20XX Preliminary Recapitulation of the Ad Valorem Assessment Roll Value Data*

Information about the status of the Department's rulemaking is available at <https://floridarevenue.com/rules>.

Questions:

This bulletin is provided by the Department of Revenue for your general information. Any questions, please email DORPTO@floridarevenue.com.

Reference:

The full text of the law (chapter 2023-17, section 8, L.O.F., SB 102), which amends s. 196.1978, F.S., is available at <http://laws.flrules.org/2023/17>.

Implementing Date:

The law is effective January 1, 2024. The exemption first applies to the 2024 tax roll and is repealed December 31, 2059.