

## Homestead & Homestead Portability: A Powerful Tax Savings Tool

Florida's Save Our Homes amendment has long been a cornerstone of property tax relief, capping annual tax increases in assessed value at 3% for a homeowner who in good faith makes the property their permanent residence and files for homestead.

### ***But what happens when a homeowner decides to move?***

That is where portability comes in—a powerful tool that allows homeowners to transfer up to \$500,000 of their accumulated tax savings to a new homestead anywhere in the state. For realtors, understanding this benefit is essential because it can dramatically influence buying decisions and affordability.

In the sample below, the homeowner will save ±30% in Collier County taxes if they simply apply for portability of their homestead exemption from their current home.

Both Lee & Collier County appraiser sites have easily accessible links to tax estimator calculators for portability.

Sample PID	26143901668		
Site Address	2375 MONTERRAT LN # 202		
Purchase Price (\$)	\$500k		\$500K
Homestead Exemption?	YES		YES
Do you have Portability benefit	YES		NO
<b>Current home details:</b>			
Market Value (\$)	\$ 400,000.00		
Assessed Value (\$)	\$ 250,000.00		
Approximate Ad Valorem Taxes (\$)	\$ 3,257.00		\$ 4,833.00
Approximate Non-Ad Valorem Assessments (\$)	\$ 261.00		\$ 261.00
<b>Total Tax (\$)</b>	<b>\$ 3,519.00</b>		<b>Total Tax (\$) \$ 5,095.00</b>
	w/portabilty		w/o portability
		\$1,576	
		savings	

Portability ensures homeowners do not lose the advantage built up over years of assessments capped at 3% when they move.

If they purchase a home of equal or greater market value, they can transfer the full benefit. If they downsize, the savings are prorated based on the difference in market values. This can mean thousands of dollars in tax savings, making higher-priced homes more attainable and easing the financial burden of moving.

To qualify, the homeowner must have had a homestead exemption on January 1 of one of the previous three tax years and must establish a new homestead by January 1 of the third year after abandoning the old one. Applications must be filed by March 1 of the tax year for which the benefit is sought. Missing these deadlines means forfeiting the portability advantage, so timing is critical.

The process begins with filing the Transfer of Homestead Assessment Difference form (DR-501T) along with the standard homestead exemption application. In cases involving joint ownership or divorce, the DR-501TS form may also be required to allocate benefits between parties. These forms are submitted to the County Property Appraiser's office, which is the key resource for homeowners navigating portability. Realtors should encourage clients to reach out to their local appraiser early—whether by phone, email, or through online portals—to confirm eligibility and ensure all paperwork is complete.

After filing, homeowners should verify that the transferred benefit appears correctly on their TRIM notice in August. Early error detection prevents later issues.

Realtors who guide clients through this process not only add tremendous value but also strengthen trust and loyalty. Discuss portability during listing presentations, negotiations, and even mortgage consultations. It's a detail that can make or break a deal, especially for buyers concerned about long-term affordability.

Ultimately, portability is more than a tax perk—it's a strategic advantage for homeowners and a powerful talking point for real estate professionals. By understanding the rules, deadlines, and application process, you position yourself as an expert who goes beyond the sale to protect your clients' financial interests.

Encourage them to act, before the January 1 and March 1 deadlines, and remind them that their County Property Appraiser is the gateway to securing this valuable benefit.

Helping clients retain their tax savings is not just good service, it is smart business.