

Limited Income Seniors Frequently Asked Questions:

What is this exemption?

In November 1998, voters approved an amendment to the Florida Constitution authorizing the state legislature to pass a law allowing counties and municipalities to grant an additional Homestead exemption of up to \$50,000 to persons at least sixty-five (65) years of age whose total household adjusted gross income does not exceed a set limit. Each January, the income limit is adjusted by the percentage change in the average cost-of-living index.

Who is eligible for the additional exemption?

To be eligible for the additional exemption, a homeowner must:

- Have or qualify for regular Homestead Exemption; meaning you must own and reside on the property as your permanent residence prior to January 1st.
and,
- Be 65 years of age or older as of January 1st.
and,
- Have a total adjusted gross household income that does not exceed limits set annually by the Department of Revenue.

Does this additional exemption apply to all ad valorem taxes?

No. The limited income senior exemption only applies to the county or municipality that authorized an additional exemption. School taxes and independent district taxes (such as water management districts) are not discounted by this exemption.

A county or municipality must enact an ordinance that sets the amount of an exemption, not to exceed \$50,000, and may specify whether or not the additional exemption applies to all its tax levies - including dependent special districts and municipal service taxing units. A county or municipality may establish a different exemption amount (or none at all) to apply to all tax levies for dependent special districts or municipal service taxing units within their jurisdiction.

Unless a county or municipality enacts an ordinance by December 1 preceding the tax year, no additional exemption will apply to that county's or municipality's taxes during that year.

Lake County has authorized this exemption up to the full \$50,000. The cities of Clermont, Lady Lake, Minneola, Mount Dora, and Tavares authorized up to \$25,000 for this exemption.

How is "household" defined?

"Household" means a person or group of persons living together in a room or group of rooms as a housing unit. The term does not include any persons boarding in or renting a portion of the dwelling.

What is "total household income"?

This term applies to the sum of income for all members of the household. The law has defined "household income" to be the same as the adjusted gross income figure that is calculated and reported on income tax form 1040.

In general, adjusted gross income includes every type of income from almost any source that is required to be reported to the Internal Revenue Service (IRS). This includes Social Security income above certain base amounts as set by the IRS.

How do I know my adjusted gross income when I haven't filed my IRS return yet?

While your limited income senior's application must be filed by March 1, income documentation of all persons living in the household MUST be submitted before May 1. Adjusted Gross Income (AGI) is your gross income, including any taxable Social Security income, minus adjustments. This amount is located at the bottom of the first page of your Income Tax Return (IRS Form 1040). If there have been no significant changes in your income, you can use your prior year income as a quick estimate for the current year.

How do I know if my Social Security income is taxable?

If Social Security is your only income, the benefits are typically not taxable and you may not be required to file an Income Tax Return. If you have income from other sources, besides Social Security, it is possible that a portion of your Social Security income will be taxable. We recommend you consult with a tax professional. More information is available at www.irs.gov

Is there an additional exemption if I have lived in my house 25 years or more?

Yes, In November 2012, Florida voters approved a constitutional amendment called Amendment 11 which, if adopted by a taxing authority, would exempt the assessed value if you have resided in the property no less than 25 years and if the Just Value of the property is less than \$250,000*. Lake County has adopted this additional exemption. The exemption applies to the Lake County General millage rate only. This exemption will not be applied to the school board or other taxing authority millage rates.

To be eligible for the additional 25 year exemption, a homeowner must:

- Have or qualify for regular Homestead Exemption; meaning you must own and reside on the property as your permanent residence prior to January 1st.
- Be 65 years of age or older as of January 1st.
- Have a total adjusted gross household income that does not exceed limits set annually by the Department of Revenue.
- Applied for and qualified for the existing Limited Income Senior Exemption
- Live in your property for 25 continuous years or more
- The Total Just Value of the property does not exceed \$250,000. *(as determined in the first tax year that the owner applies and is eligible for the exemption.)

Do I have to reapply each year?

No. Once you have been granted the exemption, we will automatically renew the exemption each year. However, if your income increases and exceeds the limit, you must notify us.