The combined state and local tax burden for Florida residents falls slightly below the national average, with residents of 30 states paying higher average taxes than Floridians in the most recent ranking prepared by the Tax Foundation, a nonprofit research group.

The Sunshine State does not collect personal income tax or inheritance tax, and there is no tax on retirement income, so a significant portion of state and local revenues comes from property tax and sales tax. Real estate tax rates vary across Florida's 66 counties, so buyers must verify the assessed value and the local tax rate to determine the estimated tax on any given home or parcel of land.

**Property Tax**

**RATES:** Florida property tax is based on assessed value of the property on January 1 of each year, minus any exemptions or other adjustments used to determine the property's taxable value. A local millage rate (a dollar amount per $1,000 of taxable value) is applied to calculate the annual tax. Millage rates vary locally in Florida from just under $10 to nearly $25 per $1,000 of taxable value. Property tax bills are sent in late October or early November, with full payment due by March 31 of the following year.

**EXEMPTIONS:** Various Florida tax exemptions may be applied to a property's assessed value to reduce the taxable value of the property. The most common adjustment for residential real estate is the "homestead" exemption, which reduces the taxable value by at least $25,000 and up to $50,000 for a home that the owner occupies as his or her primary residence (the homestead exemption does not apply to second homes, vacation homes or timeshares). Applications for homestead exemptions must be filed with the county by March 1 of the tax year for which the exemption is requested, and applicants must provide documentation of permanent residence to the county appraiser to qualify. Additional exemptions may be available for seniors, widows and widowers, veterans and people with disabilities.

**Florida Taxes at a Glance**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Tax</td>
<td>Varies by county from about $10 to $25 per $1,000 of taxable value, with increase in assessed value capped at 3% annually for primary residences or 10% for other properties.</td>
</tr>
<tr>
<td>Real Estate Transfer Tax</td>
<td>0.7% of the sale price (except in Miami-Dade County, where the rate is 0.6% for single-family residences)</td>
</tr>
<tr>
<td>Income Tax</td>
<td>None</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>Varies by county from about 6.25% to 8.5%</td>
</tr>
<tr>
<td>Vehicle Tax</td>
<td>6% tax on motor vehicles purchased within Florida or brought into the state within six months from the date of purchase. Annual registration ranges from about $46 to $70, plus a $225 one-time fee for out-of-state cars and trucks brought into Florida.</td>
</tr>
<tr>
<td>Inheritance Tax</td>
<td>None</td>
</tr>
<tr>
<td>Estate Tax</td>
<td>None</td>
</tr>
</tbody>
</table>
**ASSESSMENTS:** When a property is sold, the sale price is considered the "just value" of the property. Any applicable exemptions are subtracted from the just value to determine the initial taxable value. In subsequent years, increases in the assessed value are capped at 3% annually for a "homestead" (primary residence), and 10% for non-homestead properties. Property owners are notified each August of the assessed value and millage rate as of January 1 of that year. All owners have the right to appeal to the county’s Value Adjustment Board regarding the assessed value or allowed exemptions.

**Other Taxes**

**PERSONAL INCOME TAX:** The state of Florida does not tax personal income, retirement income or most forms of "intangible" property such as stocks, bonds and mutual funds. All Florida residents must file a federal income tax return, including non-U.S. citizens who are considered resident aliens by the IRS (typically, those who are present in the United States for more than 183 days during the tax year).

**SALES TAX:** The statewide general sales tax in Florida is 6%. With the addition of local surtaxes, the total sales tax for most Florida counties ranges from about 6.25% to 8.5% (although the surtax only applies to the first $5,000 of the sales price).

**VEHICLE TAXES:** Florida's 6% sales tax applies to motor vehicles purchased within the state or brought into the state within six months from the date of purchase. The initial registration fee for an out-of-state vehicle brought into Florida is $225. Annual registration fees for cars and trucks range from about $46 to $70, with no requirement for emission testing ("smog checks").

**REAL ESTATE TRANSFER TAX:** A transfer tax of 0.7% of the sale price (known as a "documentary stamp tax") is charged to sellers in all Florida real estate transactions, except in Miami-Dade County, where sales of single-family residences are taxed at a rate of 0.6%.

**ESTATE TAX:** There is currently no estate tax in Florida (except on the estates of people who died prior to December 31, 2004).

**ONLINE RESOURCES:**

- Florida Department of Revenue, Property Tax Information  
- Florida Department of Revenue, Tax Information for New Residents  
- Florida Tax Watch (county by county comparison of Florida tax rates)  
  [http://www.floridataxwatch.org/HowCountiesCompares](http://www.floridataxwatch.org/HowCountiesCompares)

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