



CREGG E. DALTON

CITRUS COUNTY PROPERTY APPRAISER

Inverness - Main
210 N Apopka Ave., Suite 200
Inverness, FL 34450
(352) 341-6600
(352) 341-6660/6515 Fax

Web
www.citruspa.org
Email
ccpaweb@citruspa.org

Crystal River - West Side
1540 N Meadowcrest Blvd.
Crystal River, FL 34429
(352) 564-7130
(352) 564-7131 Fax

Commitment ~ Innovation ~ Respect ~ Integrity ~ Service

Property Appraiser contracts with outside firm to audit homestead exemptions

The Citrus County Property Appraiser's Office has contracted with Tax Management Associates (TMA), to audit all properties with homestead exemption in Citrus County to discover the existence of any potential homestead exemption fraud. The process started last summer when the Property Appraiser began reviewing the possibility of conducting the audit which required approval from the county's seven taxing authorities. All seven, including the county commission, school board, cities and mosquito control board, have since given their support to proceed. The audit will commence early in 2019.

A homestead exemption, allowed by state law, permits a reduction in property taxes and is available to every Florida resident who owns and resides on real property and makes that property their permanent residence as of January 1 of the year in which the homestead exemption is granted. The homestead exemption allows up to \$50,000 of the property's assessed value to be exempted from taxation. Based on current tax rates, the \$50,000 homestead exemption is worth about \$600 in county taxes, almost \$1,000 in Inverness taxes and \$800 in Crystal River.

The cost for persons falsely claiming a homestead exemption is determined by Florida Statute and includes not just payment of back taxes and loss of the Save our Homes benefit but also a 50 percent penalty and 15 percent interest for any year or years within the prior 10 years that they were ineligible.

The Property Appraiser's first responsibility is to provide fairness for all taxpayers. When a property owner receives an exemption for which they are no longer entitled, it results in a shift of that tax burden to other taxpayers. Based on results in other counties audited by TMA, we believe that a very small number of residents will be affected – the rate of fraud is estimated to be about one percent. The audit will result in a fair tax roll for Citrus County.

The Property Appraiser's office has always investigated the validity of homestead exemptions returning thousands of dollars each year, but its research is mostly limited to local and Florida state-agency resources. The Property Appraiser chose TMA based on results achieved in other counties and the company's analytic ability to gather data across state lines. The company also performs their initial analysis without receiving any confidential data of Citrus County taxpayers. The current working tax roll has in excess of 46,000 homes with a homestead exemption. TMA will enable a massive audit of all existing homestead exemptions. The company's staff will handle all investigative efforts, documentation, and correspondence with residents to identify properties improperly receiving exemptions and then return defensible findings back to the Property Appraiser's office.

TMA, which is based out of Charlotte, North Carolina, will not charge any up-front fees to research whether homestead exemptions are legitimate. Existing taxpayers will not bear any cost for this audit. Instead, the company will receive 30 percent from any back taxes and penalties paid by the property-owners discovered receiving homestead exemptions for which they were not entitled. The remaining 70 percent will go to the taxing authorities. Without discovery of these undeserved homesteads the taxing authority would receive none of these funds.

The company has already performed such audits in four other Florida counties – Brevard, Duval, Pinellas and Sarasota – and has done similar projects in five other states. TMA, through a partnership with Lexis Nexis, is able to crosscheck homeowners with other states to find out if they have exemptions elsewhere or otherwise do not qualify for a homestead exemption.

As a result of the audit, residents may receive a questionnaire from TMA to verify their homestead information. It is important that the questionnaire be returned promptly and that residents please take it seriously. A Homestead Audit Call Center will be available for residents who have any questions on how to fill out the questionnaire.

Additional Homestead Exemption information is available on our website at www.citruspa.org.

Cregg E. Dalton
Citrus County Property Appraiser