

# EXPERT advice

## TAXING QUESTIONS

Sort out your Florida  
property tax with  
**Lesley Dolby's**  
helpful advice



Property tax bills in Florida are sent out by the county property appraiser's office each year in November.

Property taxes are paid in arrears, so the tax bill will be for that entire year just gone. You have until the following April to pay the amount owing, although discounts are offered for earlier payments as an incentive.

If you have a US mortgage on your Floridian property, in most cases your mortgage lender will pay your tax bill. Your monthly mortgage payment will include a twelfth of the total bill, which the lender places in "escrow": this is a kind of deposit which is held by a third party (known as an escrow agent) until disbursement is needed and the bill arrives.

If you paid cash for your property, or took out a UK mortgage for your purchase, then you are responsible for payment of this tax bill: here of course lies the main problem!

There have been many cases where the property appraiser did not have the property owner's correct UK mailing address on file. In these cases, the British owners have not received their property tax bill as a result. As an absentee owner, if you do not make sure that you receive and pay your property tax bills, you risk the county placing a 'lien' or charge on your property.

In the year that you purchase your property, you will receive a credit from the house seller for the portion of the year the seller owned the property, because when the bill arrives in November, you will be paying the bill for the whole of the year – ie even for the period when the ex-owner was in residence. This pro-ration is taken care of in your closing statement when you buy the property.

You may have a surprise property tax increase in the year following your property purchase. Some things that will trigger higher property taxes for you are: purchasing from an owner occupier who had a Homestead Exemption (a discount to owner occupiers); purchasing a new property, where the previous year's tax was based on the land only, but rises significantly the following year; and purchasing from a seller who owned the property for a long time and the sale causes a re-assessment of the property value.

If your Floridian property is being used primarily for short-term rentals and you have it properly set up as a business, then your property taxes are tax-deductible against your rental income, along with your other property operating expenses and US mortgage interest.

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