

OWNER



A Florida Homeowner's Guide: Property Tax Relief for Hurricanes Ian and Nicole

Signed into law December 16, 2022, section 197.3181, Florida Statutes (F.S.), provides for a prorated refund of ad valorem taxes for residential improvements rendered uninhabitable by Hurricanes Ian or Nicole. The Department of Revenue developed this guide to help homeowners understand the statute.

Who is eligible?

A homeowner may be eligible for a partial refund of 2022 property taxes if a residential improvement was rendered uninhabitable for at least 30 days due to Hurricane Ian or Hurricane Nicole.

To be eligible for a partial property tax refund, the property must be determined "uninhabitable." Under s. 197.3181 F.S., "'uninhabitable' means the loss of use and occupancy of a residential improvement for the purpose for which it was constructed resulting from damage to or destruction of, or from a condition that compromises the structural integrity of, the residential improvement which was caused by Hurricane Ian or Hurricane Nicole during the 2022 calendar year. "

If approved, how will I receive my refund?

Refunds are processed and calculated by the tax collector and are to be issued upon timely payment of 2022 property taxes by the homeowner, or immediately if such taxes have already been paid.



Details and an example of how the calculation is made are provided on the next page.

I may be eligible; how and when do I apply?



To begin the application process, homeowners should contact the county property appraiser for the county in which the property is located.

The property appraiser will provide a copy of the **Application for Hurricane Ian or Hurricane Nicole Tax Refund** form ([Department of Revenue Form DR-5001](#)). On the form, the homeowner must state the number of days the residence was uninhabitable and must sign a perjury statement attesting to it. For the purposes of determining uninhabitability, **the homeowner must provide supporting documentation**, including, but not limited to, utility bills, insurance information, contractors' statements, building permit applications, or building inspection certificates of occupancy. For Hurricane Ian, the maximum number of days in 2022 that can be claimed is 95 days, and for Hurricane Nicole, the maximum number of days is 52 days.

The homeowner must submit the application and documentation to the property appraiser by April 3, 2023. The law provides a due date of April 1, 2023; however, as this date is a Saturday, the date is extended to Monday April 3, 2023. A homeowner who fails to file an application by April 3, 2023, waives their claim for a tax refund under s. 197.3181 F.S.

Form DR-5001 may be submitted before or after 2022 property taxes are remitted. Homeowners are encouraged to submit the application as soon as possible regardless of the status of payment.

Who decides if I am eligible and how will I be informed?



The property appraiser is responsible for approving or denying a homeowner's eligibility for a refund based on [Form DR-5001](#).

No later than June 1, 2023, the property appraiser must either notify the applicant of ineligibility or notify both the applicant and tax collector if the applicant is eligible for a refund.

Applicants found ineligible may file a petition with the value adjustment board requesting that such a refund be granted. The petition must be filed with the value adjustment board on or before the 30th day following the issuance of the notice by the property appraiser.



If approved, how is the refund amount calculated?



If the property appraiser informs the tax collector of a homeowner's eligibility for a refund, the tax collector is responsible for calculating the refund amount and remitting it to the homeowner once the 2022 property taxes have been paid.

The refund amount is calculated by applying the percent change in value to the number of days the residential improvement was uninhabitable. The percent change in value is found by subtracting the January 1, 2022 just value of the residential improvement from the January 1, 2022 just value of the entire parcel to establish the post-disaster value and then calculating the percent change in value. The example below depicts these calculations.

Under s. 197.3181 F.S., a residential improvement that is uninhabitable has no value, although the land and other improvements, as defined in the statute, do have value. The statute specifies that "a residential improvement does not include a structure that is not essential to the use and occupancy of the residential dwelling or house, including, but not limited to, a detached utility building, detached carport, detached garage, bulkhead, fence, or swimming pool, and does not include land."

For all approved refund applications, the property appraiser is required to provide the tax collector with the January 1, 2022, just value of the residential improvement (as defined above), the number of days during 2022 that the residential improvement was uninhabitable, the post-disaster just value of the residential parcel, and the percent change in value applicable to the residential parcel.

The following example is for a residential property that was rendered uninhabitable by Hurricane Ian and remained uninhabitable through the end of 2022. The following information is used to calculate the refund:

- January 1, 2022, **Pre-disaster** just value of the parcel: **\$300,000**
- January 1, 2022, **Pre-disaster** just value of the residential improvement (the house, attached garage, and attached porches only): **\$225,000**
- **Post-disaster** just value of the parcel (January 1, 2022, parcel just value *less* residential improvement just value): **\$75,000**
- Number of days the property was uninhabitable: **95 days**
- Total 2022 property taxes paid **\$2,250**

The first step is to find the percent change in value by subtracting the parcel's post-disaster just value from the pre-disaster just value using the following calculations:

Change in value:	$\$300,000 \text{ less } \$75,000 =$	\$225,000
Percent change in value:	$\$225,000 \text{ divided by } \$300,000 =$.75 or 75%

The second step is to find the percent of days the residence was uninhabitable by dividing the number of days in 2022 the residential improvement was uninhabitable by the number of days in the year using the following calculation:

Percent of uninhabitable days:	$95 \text{ days divided by } 365 \text{ days} =$.26 or 26%
--------------------------------	--	------------

The third step is to find the damage differential by applying the percent change in value to the percent of uninhabitable days using the following calculation:

Damage differential calculation:	$.75 \text{ multiplied by } .26 =$.195
----------------------------------	------------------------------------	------

Finally, the refund amount is calculated by applying the damage differential to the total 2022 property taxes paid:

Refund calculation:	$\$2,250 \text{ multiplied by } .195 =$	\$438.75 refund due
---------------------	---	------------------------