
Tampa Bay Times: Will property taxes around Tampa Bay be reduced because of the coronavirus?

We asked the Pinellas County property appraiser about who might see relief in their taxes bills, and when.

Several forms of government aid have been granted to Americans and their businesses in response to the pandemic. But anyone who recently received their property tax bills in Florida -- they started going out at the end of October -- may have noticed there were no adjustments made because of the coronavirus.

So is property tax relief a possibility, and if so, who would get it, and when?

Pinellas Property Appraiser Mike Twitty spoke with us to answer those questions, which he said are being discussed by every property appraiser both around Tampa Bay and throughout the state. The conversation has been edited for length and clarity:

Let's start with the basics. Property owners in Pinellas and throughout Florida are starting to get their property tax bills for the year, and some may be wondering why there's no pandemic relief in them. What is the explanation for that?

The explanation is that property taxes are always paid in arrears, meaning you're paying after the fact. So when we value properties, it's always based on an effective date of January 1 for that tax year. So that predated the pandemic. The first two cases of coronavirus were reported in Florida in early March. So those values were effectively already set prior to that date because we're always analyzing data from the prior year. We were using 2019 data to set that January 1, 2020 value.

But you've mentioned that your office is talking with some state officials to get sales and bed tax data to determine who might be eligible for a discount in next year's taxes. Can you tell me more about that, and what types of property owners that might affect?

We already do receive sales and bed tax data, but it's not as regular as we would like to really analyze impacts to particular commercial property owners and businesses. So if we have more of that data, we'll be able to better see who, essentially, the winners and losers were during the course of the pandemic.

We have a pretty good gut feel as to who those are, but we want to actually see real numbers to back it up. So I've been in discussions with the governor's office and the Department of Revenue in order to allow that flow of information. The other thing that we're trying to do is encourage all of our income-producing commercial property owners and businesses to provide their profit and loss statements for 2019 versus 2020 so that we have tangible evidence showing their potential impact at their location or their business type.

We have two different things to look at. We have not only real estate values, we also have tangible personal property values, and that would be all your business equipment. Some business owners may be renters, so they don't own the real estate, but they own equipment that's in that location, and they're paying tangible taxes on those items. So we would like to see their information as well to help with potential relief efforts there.

As far as identifying the property types we're most concerned about on the commercial side, hospitality is a big one. So your bars, your restaurants, your hotels, your theaters, live music venues. And then your local multi-tenant office and retail. We do foresee there could be some impacts to multifamily apartment buildings. We don't think they'll be as deep but we do know that there are some issues there with tenants' ability to pay.

In order to provide relief based on all that information you're gathering, would that require action from the Legislature?

It could.

Let's back up. A tax bill is derived from two variables. You have value and you have tax rate, or millage. The tax rates are set by your taxing authorities, which are your county, your various municipalities, your school board. So those rates against value are what create people's tax bills.

With that in mind, the only piece we have control over in the property appraiser's office is the value piece. So if it's one of these property types that we're talking about that is impacted in a manner that the value decreases for January 1, 2021, essentially, there would be automatic relief built in by value reduction.

A lot of residential "value" is likely to increase, because we have not seen a downturn in residential whatsoever. The pandemic has actually created a shortage of supply through most of Florida. Supply is down to the tightest amount we've likely ever seen, the lowest supply I've seen in my 30 years in real estate here in Pinellas County.

So that has obviously resulted in prices moving up. In those situations, then, any sort of relief would have to come from in that other side of the equation, that other variable, which would be the millage. So that would have to come from the taxing authorities, or you have to have legislative action that would grant certain property owners some form of a credit.

They've done that for hurricanes. They have had a formula "to subtract" the number of days that you couldn't occupy your residence because you were displaced by the hurricane. This is tougher to quantify, because you don't see necessarily physical damage to justify it. It would have to be vetted in a different manner. That's why I think the importance of having profit-loss statements and things like that, to justify the fact that people have been impacted at that level.

So you're saying that for single-family homeowners to receive a tax break next year, that will likely require government action, since their property values are going up?

Right. That's a generality, but overall, the market is on an upswing on the residential side.

Is there anything else you think is important to know ?

If people want more information, they can go to our website pcpao.gov. On our homepage, we have a little section that says, "communicating with our office," and there's a link there for important information regarding COVID-19 and property values. There's a little infographic that explains the importance of January 1, when relief would potentially be considered and it has an FAQ.

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