Charitable Exemptions

FLORIDA STATUTE 196

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What is a charitable exemption?

A charitable exemption is a real estate tax exemption that is available for those non-profit organization that own and use their property for a non-profit/charitable use.

Which portion is exempt?

Ad Valorem → Based on the value of your property

↕

Non Ad Valorem → Includes assessments such as drainage districts and Solid Waste Authority

Who is eligible for a

Charitable Exemption

Eligibility is based on the ownership and use as of January 1st of the year in which you request an exemption.

382 properties with a total market value of $459,901,815 have a charitable exemption in Palm Beach County.

Predominate Use

Florida Statute 196.012 defines predominate use as more than 50% of the property/more than 50% of the time.

Example:

Use: 75 % = 75% exemption
Use: 40% = 0% exemption

Vacant Land

Is vacant land or land for future development eligible for exemption?

Land for future development or under construction is not eligible for the exemption.

How Do I Apply

DR-504 Application

FLORIDA DEPARTMENT OF REVENUE

AD VALOREM TAX EXEMPTION APPLICATION AND RETURN

Application # _____

DR-504
R. 11/01
TC

Sections 196.195, 196.196, 196.197, 196.198, 196.2001, 196.2002, Florida Statutes

For use of organizations applying for exempt status under Chapter 196, Florida Statutes, which are organized and operated for one or more of the following purposes: (Check one or more.)

☐ Religious ☐ Literary ☐ Charitable ☐ Scientific ☐ Sewer Water/Wastewater Systems ☐ Education
☐ Hospitals, nursing homes, and homes for special services ☐ Other: _____

A. General Information

Name of organization

Mailing address | Address of property, if different

Business phone | County where property is located

List all owners of the property and their proportionate interest

_____ ___% _____ ___%

_____ ___% _____ ___%

Legal description or parcel ID

1. Is the organization incorporated? ☐ yes ☐ no
   If yes, is the organization exempt from federal income tax under
   ☐ 501(c) (3), I.R.C. ☐ 501(c) (12), I.R.C., Water, Wastewater Systems, 196.2002, F.S.
   ☐ 115 (a), I.R.C. of 1954, Sewer and Water, 196.2001, F.S.
   Provide a copy of the current exemption determination letter from the Internal Revenue Service.
   If no, what is the form of organization?
2. Is any of this property rented or leased? ☐ yes ☐ no
   If yes, attach a copy of all active rental and/or lease contracts for last year.
3. Owner's statement of full value: Real property _____
   Real property improvements _____
   Tangible personal property _____
4. What is the property used for?
5. Is any portion of the above-described property used for non-exempt purposes? ☐ Yes ☐ No
   If yes, attach a detailed explanation.

Add pages, if needed.

DR-504

FLORIDA DEPARTMENT OF REVENUE

Requirements

- Articles of Incorporation from Florida Division of Corporations (Sunbiz)
- 501C3
- Florida Sales Tax Exemption
- Handouts/Brochures
- Leases

Exemption Process

- Application Due MARCH 1ST
- Decisions mailed JULY 1ST
- VAB Process
- Annual Renewal

What if’s

- What if I don’t file?
- What if I buy from another non-profit agency?
- What if I buy mid-year?
- What if I only use a portion of the property?

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TANGIBLE

Personal Property Tax

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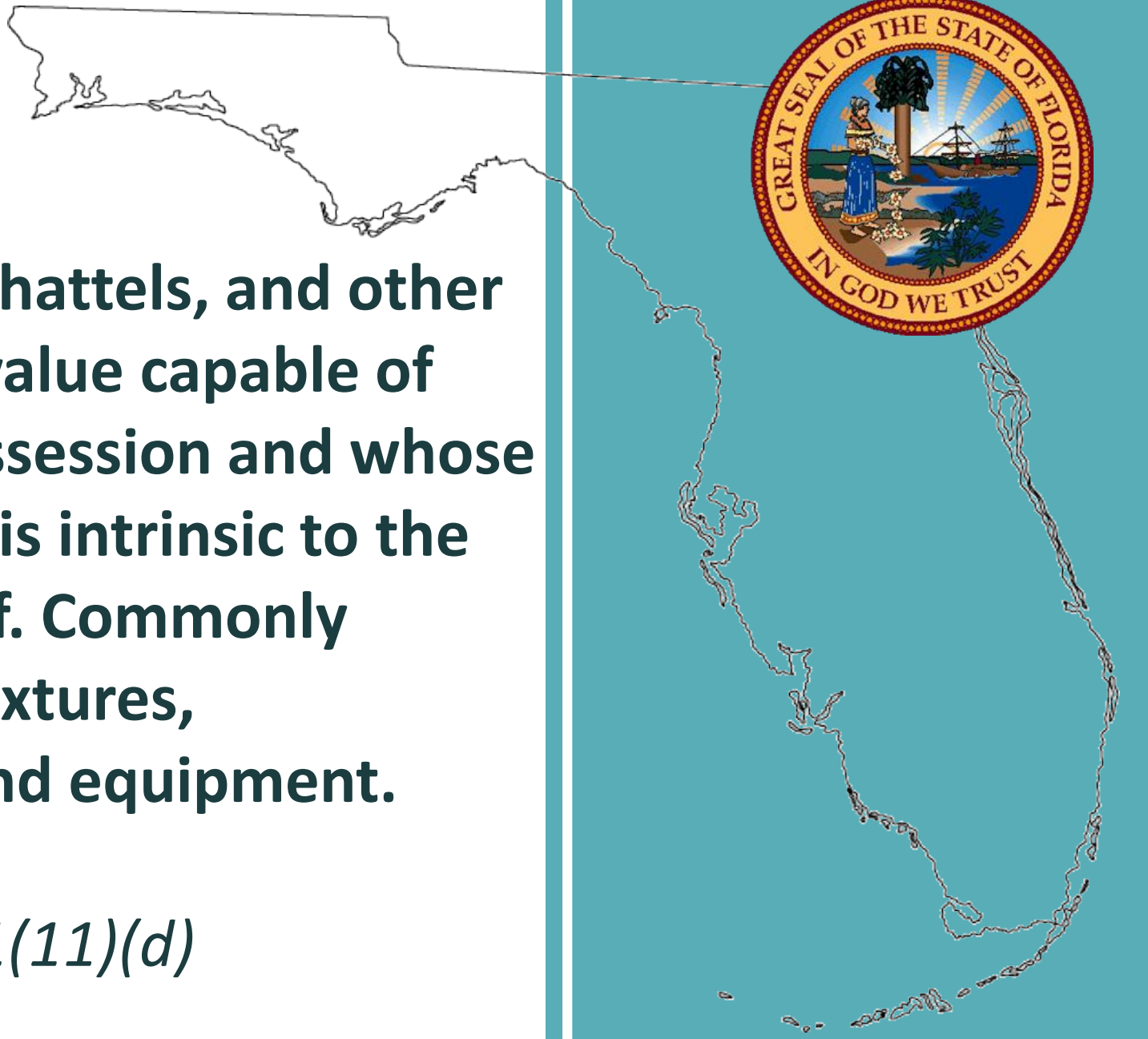
Manager, Personal Property Department

What is TANGIBLE Personal Property?



All goods, chattels, and other articles of value capable of manual possession and whose chief value is intrinsic to the article itself. Commonly known as fixtures, furniture and equipment.

F.S. 192.001(11)(d)

DOES NOT INCLUDE

inventory held for resale, household goods for personal use or licensed vehicles

Palm Beach County Property Appraiser

DOES INCLUDE

signs, certain leasehold improvements, cell sites and towers, natural gas pipelines, power plants and railroad tracks and cars

TPP Accounts in PBC

58,757 total accounts

$9.9 billion in taxable value

Exempt Accounts

1,925 total accounts

Market Value **of $1.2 billion**

TPP Accounts in PBC

Subject to same ad valorem taxes as real property

$25,000 exemption (off assessed value) if a return is timely filed

Not subject to non ad valorem taxes

Exemption is automatically renewed

Requires the filing of a TPP Tax Return

PALM BEACH OUTLETS

2015 Assessment

$249 MILLION

FPL West County Energy Center

2015 Assessment

$1.782 billion

FPL Riviera Beach Power Plant

2015 Assessment

$794 million

EXEMPT STATUS
for TPP

Same criteria as real property

Do not need to own the real estate

Must file DR 504 by March 1st

"Automatically renewed"

If a nonprofit is the real property landlord, it could be responsible for tenant's TPP tax

If nonprofit *leases* equipment from a for profit entity, the lease will be subject to TPP tax

Why do I need to

FILE A RETURN

It's the law

TPP field staff canvasses all business in PBC and adds new ones to the tax roll with a *field estimate of value*

Every accounts stays on the tax roll until:

- The business closes or moves out of County:
- A DR 405 (TPP tax return) is received on time and the value is under $25,000
- A DR 504 is received with all required documentation

Non filers are subject to a 25% penalty and will not get the $25,000 exemption

If the tax bill is not paid, the Tax Collector will charge penalties and interest. The Tax Collector also has an outside collection agent that will charge a 20% handling fee and will seize business assets to be sold

THANK YOU

Tangible Personal Property Tax

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