

Introduction



What is the Homestead Exemption?

An exemption that reduces property taxes for homeowners who use their home as a primary residence. This benefit can save homeowners hundreds of dollars per year, making homeownership more affordable.

The Problem: Take-Up Gap

Despite these savings, many eligible homeowners don't sign up. This issue is especially common in minority neighborhoods, leading to higher tax burdens and financial strain.

Can Information Help?



Our research tests whether providing clear, targeted outreach (via mailed letters and text reminders) can increase enrollment rates for the Homestead Exemption.

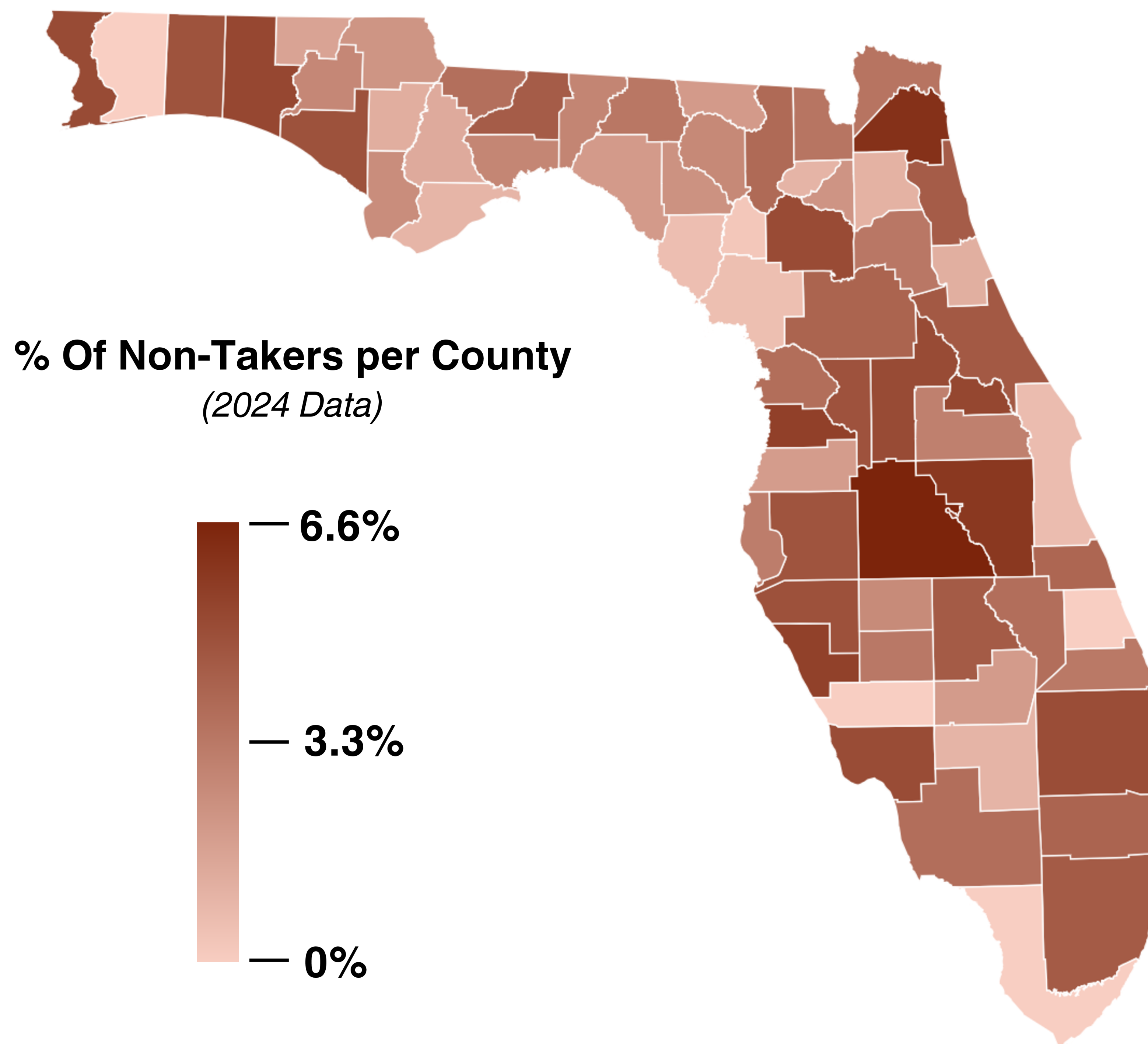
Outreach Efforts



We sent personalized letters to randomly selected homeowners, with one group also receiving text reminders. Our study measures how these interventions impact sign-up rates, providing insight into solutions for improving participation.

Abstract

- **Why are people missing out on significant tax savings?** Numerous social, political, and demographic differences may be leading to the take-up rate gap. By analyzing this data, we will be able to identify those discrepancies.
- **Why does this matter?** Many eligible homeowners, particularly in minority communities, do not claim the exemption. This study explores whether simple policy interventions can close the gap.
- **How was the data collected?** We carefully identified homeowners eligible for the benefit and mailed 12,000 letters, half with a text reminder option, to eligible but non-participating homeowners.
- **What's next?** Using government tax and voter registration records, we analyze who responds and which outreach method is most effective.
- **Significance:** If effective, this study could inform future tax policy and improve awareness of tax relief programs in underrepresented communities.



Methods

Participants were randomly assigned to three groups:

Control Group (Nothing Sent)

- Baseline for comparison
- Measures natural sign-up rate

Treatment Group 1 (Sent to 6,000)

- Letter explaining exemption
- Pushes homeowners to apply
- Measures impact of letter alone

Treatment Group 2 (Sent to 6,000)

- Same as TG1 + text reminder
- Tests if text improves sign-up rate
- Measures impact of letter + text

Data Analysis:

- Regression models will measure sign-up rate differences across groups
- We will test for demographic variations in responses.
- Data cleaning & analysis will take place once results are released in Summer 2025
- Measure take-up rates and track sign ups for text message reminders

Data Sources include FL Dept. of Revenue & FL Dept. of Elections

Results

Results are **pending** →

The Florida Department of Revenue does not release Homestead Exemption data until Summer 2025. Once available, we will analyze the impact of mailed letters and text reminders on sign-up rates.

We **expect** that →

- Both treatment groups will have a higher exemption sign-up rate than the control group
- Text message reminders will further increase sign-ups
- Demographic differences may influence response rates

Example of Regression Formula to be used on data →

$$y_i = \alpha + \beta_1 T_i^1 + \beta_2 T_i^2 + \epsilon_i$$

Resources

Resources, "Homestead Exemptions, Heterogeneous Assessment, and Property Tax Progressivity", with Keith Ihlanfeldt. *National Tax Journal*, Vol. 75(1), 2022: 7- 31.