# 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.

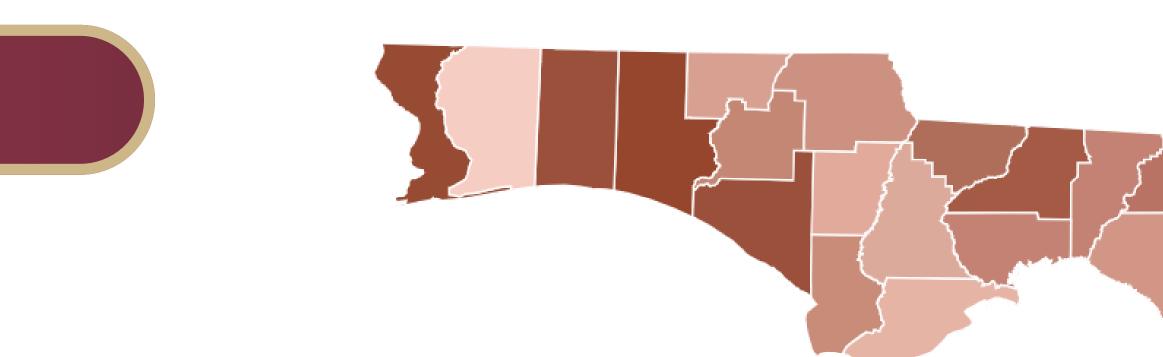
# Abstract

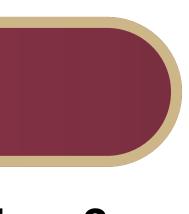
- Why are people missing out on significant tax savings? Numerous social, political, and demographic differences may be leading to the take-up rate gap. By analyzing this data, we will be able to identify those discrepancies.
- Why does this matter? Many eligible homeowners, particularly in minority 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 <u>12,000 letters</u>, 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.

# Closing the Gap in Homestead **Exemption Participation Rates**

ENGAGEMENT

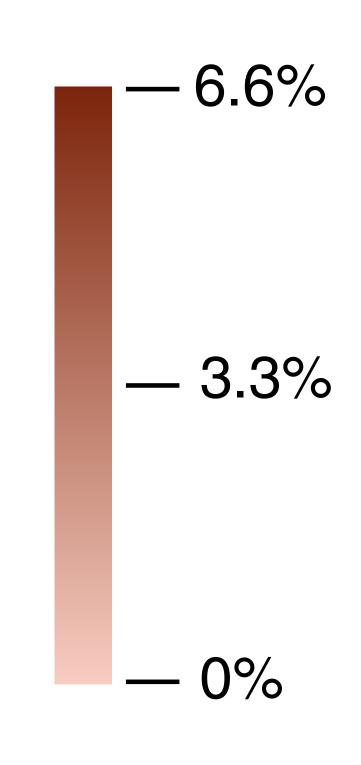
Dr. Luke Rodgers, Ph.D.







(2024 Data)





Department of Economics



Control G (Nothing

Treatment (Sent to

Treatment (Sent to

#### Data Analysis:

- across groups

- reminders

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

### Results are **<u>pending</u>** →

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.

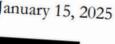
#### We **expect** that →

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

Example of Regression Formula to be used on data  $\rightarrow$ 

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

Florida State University Tallahassee, FL 32306



#### My name is Luke Rodgers and I am an Associate Professor of Economics at Florida State University. While researching property taxation, I discovered that there are many Florida homeowners who are eligible for the homestead exemption who are not enrolled in the program. This program helps over 5 million Florida homeowners, including me, save money on their property taxes. I am writing to let you know that you may be eligible for these tax benefits. In Lee County, there are over 208,000 homeowners who save around \$570 each year through the

To be eligible, you must live in this dwelling and be a legal resident of the State of Florida as of January 1, 2025. The application must be completed and submitted to your county appraiser by March 1, 2025. It does not take long and you only need to apply once. You are automatically reenrolled in the program as long as this property remains your primary residence. For more information about the homestead exemption, please see https://tinyurl.com/InfoHomestead

To apply online, visit your county's application portal using either link below. Each link will take you to the same website. I've provided the shorter link to save you time. https://www.leepa.org/Homestead/ApplyForHomestead.aspx https://tinyurl.com/HomesteadLee

As someone who has benefitted from this program, I hope you will take the time to apply.

Alla Luke P. Rodgers

Associate Professor of Economics Florida State University





## **Research Assistants:**

<u>Greg Selg</u>

John White

<u>Gavin Rivera</u> Daniel Kenvo

# Methods

ere randomly assigned to three groups:	
<u>Group</u> J Sent)	<ul> <li>Baseline for comparison</li> <li>Measures natural sign-up rate</li> </ul>
<u>t Group 1</u> 6,000)	<ul> <li>Letter explaining exemption</li> <li>Pushes homeowners to apply</li> <li>Measures impact of letter alone</li> </ul>
<u>: Group 2</u> 6,000)	<ul> <li>Same as TG1 + text reminder</li> <li>Tests if text improves sign-up rate</li> <li>Measures impact of letter + text</li> </ul>
5:	
n modele will measure eign un rete difference	

• Regression models will measure sign-up rate differences

• 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

# Results

## $\mathbf{y}_{i} = \mathbf{\alpha} + \beta_{1} \mathbf{T}_{i}^{1} + \beta_{2} \mathbf{T}_{i}^{2} + \varepsilon_{i}$

# Resources