

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

out-of-state retirees are taking notice.

Aug. 17, 2023



By [Kiplinger Consumer News Service](#) (via TNS).

While choosing to retire in Florida isn't the best choice for everyone, relocating to the Sunshine State comes with its share of benefits. Of course, some people move to

Florida for the warm weather and plentiful beaches, but that's not all the state has to

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

If Florida is already your first choice for retirement, you're not alone. According to a 2022 study, roughly 12% of all retirees who moved out of another state chose Florida as their destination, making it a top choice for retirement relocations in the U.S.

But you may be wondering where in Florida other retirees are going. Well, the same study found that the majority of new Florida retirees chose the Palm Bay area to call their home. Tallahassee was also a popular retirement spot for new Floridians.

But regardless of which part of Florida you have your eye on, you are bound to reap some benefits, at least where taxes are concerned.

Florida doesn't tax retirement income

Perhaps the biggest reason people choose to retire in Florida is the state's tax treatment of retirement income. There are plenty of states that don't tax Social Security benefits, but there aren't too many states with no income tax at all.

Florida won't tax any of your income, regardless of its source. That means you won't pay state tax in Florida on your 401(k) distributions, investment income, or even your wages, should you choose to go back to work or to unretire.

Florida sales tax breaks

Florida's average combined state and local sales tax rate of 7.02% isn't necessarily low compared to other states, but it's not one of the highest either. And Floridians have more sales tax holidays than any other state in the country. Many of these tax holidays were recently expanded due to a \$1.3 billion Florida tax relief bill.

The tax relief package also made several children's products permanently tax-exempt, so you may save some money if, for example, you want to spoil the

grandchildren when they come to visit. Here are just a few of the things you can buy-

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Low property taxes in Florida

Property taxes in Florida aren't the lowest in the U.S., but the median average Florida property tax bill of \$2,143 is less than in most states, according to PropertyShark. And with an average effective property tax rate below 1%, even homes with higher tax valuations may cost you less in property tax than you're used to.

Still, not everyone who relocates to Florida will experience lower tax bills, and some will see more savings than others.

- If your new Florida home has a significantly higher market value than the home you owned in your previous state, you are less likely to pay less property taxes in Florida.
- Since home improvements can increase your property's tax valuation, you may not save much (if any) money on your property tax bill if your new home undergoes extensive renovations.

No Florida taxes on Mega Millions (and other lottery winnings)

By now, you may have heard that a ticket in Florida matched all six numbers to win the record-high, August 8 \$1.58 billion Mega Millions jackpot. But the winner won't pay state taxes on the payout. That's because Florida is one of the states that won't tax your Mega Millions payout, or any other lottery winnings, for that matter. Depending on how much you win, that could result in savings worth millions of dollars.

Of course, most people won't win a lottery jackpot, but if you hope to take home some lottery winnings, state taxes are something to consider. Just don't forget you'll still be on the hook for federal taxes. Lottery jackpots, including the Mega Millions payout after taxes, will always be much less than the advertised amount.

Why are some retirees leaving Florida?

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

- For example, home insurance costs are high in Florida. Kiplinger has reported on insurers restricting coverage in Florida, including AAA and Farmers Insurance, which can make it more difficult for Floridians to find affordable insurance for home and auto.
- Others are pulled away from Florida due to the extreme heat and rising temperatures. For example, July 2023 was the hottest month on record for Miami, according to data from the University of South Florida.
- Changes in Florida law and state policies have also caused some Floridians to relocate. For example, former Miami Heat basketball player Dwyane Wade, who spent 16 years playing for the Florida-based team, recently left the state with his family due to legislation and restrictive policies regarding the LGBTQIA+ community.

So, before making the move to any state, it's good to consider all aspects of a new location, so you can make the best decision for yourself and your family.

=====

All contents copyright 2023 The Kiplinger Washington Editors, Inc. Distributed by Tribune Content Agency, LLC

Benefits • Payroll • Sales Tax

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved

