

**One of my Canadian Clients has suggested that I post response to these common questions that his Canadian friends are asking him about his home purchase in Sun City Center, Kings Point.**

**These answers are provided based on the property values in Sun City Center and Kings Point and different rules may apply for those owning Huge Estates of greater value.**

**1. Do I have to pay more in property taxes because I am not American?**

**NO:** The current tax rate in Hillsborough County is \$20.21 per thousand dollars of assessed value. That is what everyone pays, US, Canadian or from anywhere in the world.

The tax benefit comes into play when you become a full time resident in Florida. This is called the "save our homes amendment" where properties **can** receive an exception of \$50,000 off the taxable value but only for those that call **Florida their full time homestead**. Again, if you are US, Canadian or from anywhere in the world this applies

**2. What happens if I die, does Florida property easily get included in my estate.**

I don't see why it would not, this is an asset in the USA but it is owned by you not the US Government. This should all tie into the subject 4 below.

**3. Is my estate subject to US estate taxes if I die?**

I don't see why it would, this is an asset in the USA but it is owned by you not the US Government and it would tie in to 4 below.

**4. If I want to sell do I get my money out or does the US hold back 25% of the proceeds**

FIRPTA is the Foreign Investment in Real Property Tax Act. If a seller is a "foreign person" as defined by FIRPTA Section 1445 of the Internal Revenue Code requires Buyer to **withhold 10% of the amount realized by the seller** on the transfer and remit the withheld amount to the Internal Revenue Service (IRS) unless an exemption applied. The primary exemptions are (1) Seller provides Buyer with an affidavit that Seller is not a "foreign person". (2) **Seller provides Buyer with a Withholding Certificate providing for reduced or eliminated withholding**, or (3) **the gross sales price is \$300,000 or less**. Buyer is an individual who purchases the Property to use as a residence, and Buyer or a member of Buyer's family has definite plans to reside at the Property for at least 50% of the number of days the Property is in use during each of the first two 12 month periods after transfer. The IRS requires Buyer and Seller to have a U. S. federal taxpayer identification number ("TIN"). Buyer and Seller agree to execute and deliver as directed any instrument, affidavit or statement reasonably necessary to comply with FIRPTA requirements including applying for a TIN within 3 days from Effective Date and delivering their respective TIN or Social Security numbers to the Closing Agent. If Seller applies for a withholding certificate but the application is still pending as of closing, Buyer will place the 10% tax in escrow at Seller's expense to be disbursed in accordance with the final determination of the IRS, provided Seller so requests and gives Buyer notice of the pending application in accordance with closing the additional cash necessary to satisfy requirement. Buyer will timely disburse the funds to the IRS and provide Seller with copies of the tax forms and receipts.

