

Understanding Taxes on Commercial Property and Tangible Personal Property and How It Affects Your Business

February 27, 2025





Primary Goal

To provide **outstanding service**
to the citizens of St. Johns County
while creating a tax roll that is
fair, equitable and **accurate**

Background

- Property Appraiser since 2017
- Led the team in a number of technology, cost-saving and process-improvement initiatives resulting in a \$500,000 savings per year for taxpayers
- Spearheaded efforts to elevate transparency in government and convenience for residents by publishing budgets and reports on the website and also creating an online exemption application where 65% of applications are filed



Awarded **Certificate of Excellence in Assessment Administration** by International Association of Assessing Officers where only 60 jurisdictions have received this prestigious award

By the Numbers



A photograph of a modern commercial building with a brick and metal facade, featuring large glass windows and a flat roof. The image is overlaid with a semi-transparent blue filter. A bright green rectangular box with a white border is positioned in the upper center, containing the text 'Commercial Ad Valorem' in a bold, dark blue font.

Commercial Ad Valorem



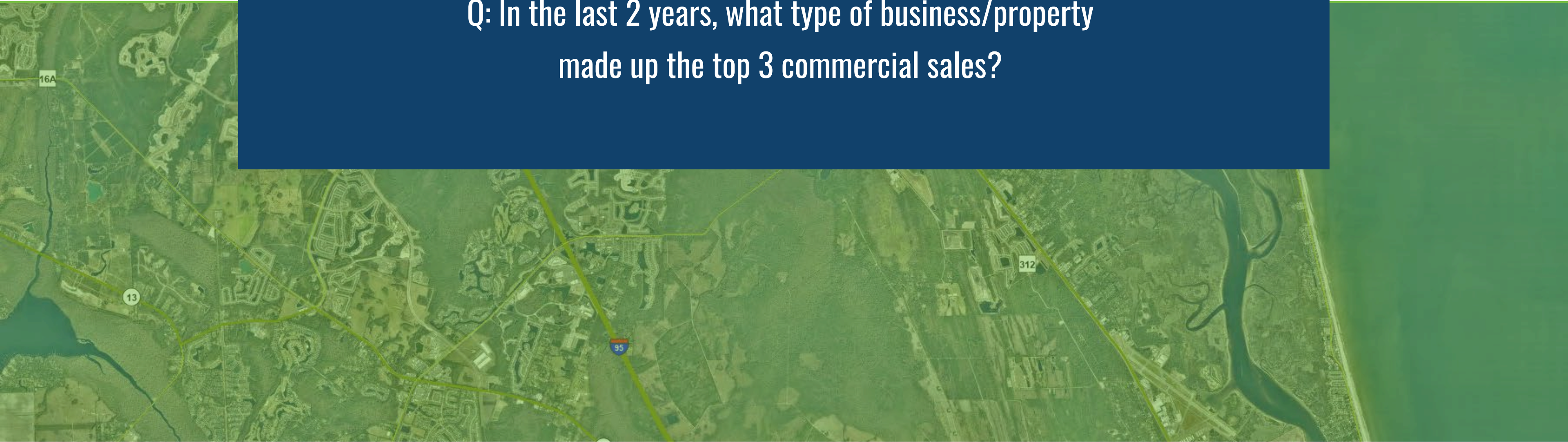
Fun Facts:

Since 2022, the overall Just Value
for commercial and industrial properties
in St. Johns County has increased by almost **60%**
(\$5 billion in 2022 to \$8 billion in 2024).

Commercial parcels make up approximately **7%** of all parcels.



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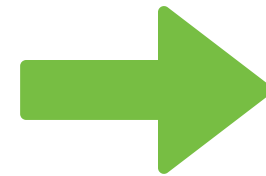
A: Apartment Complexes

Aria Durbin Park (\$70.2 million) | The Exchange (\$57.6 million)

Camellia World Commerce Center (\$53.3 million)

Approach to Appraising Commercial Properties

We use three approaches to appraising commercial properties. The approach used depends on each particular property, but the income approach is the one that is used most frequently.



1

Income Approach

This approach looks at the income of the business, such as through sales, leases and rentals.

2

Cost Approach

This approach is typically used for new or newer construction and looks at the building's construction costs.

3

Sales Comparison Approach

This approach compares sales of similar properties and looks at factors such as square footage, age, quality of construction, location and property type.

Income Approach

For some properties, the potential income that can be generated by the property is the best indicator of value. Properties like hotels, apartments and other commercial buildings generate income for their owners. It is this income that attracts a buyer and helps determine the selling price.



Postcards requesting income information from commercial property owners are mailed to businesses in January.



To ensure accuracy by the income approach, it is essential that income and expense information requested from the building owners is submitted to our office by **May 31** each year.

Income information is not considered public record and is treated with the strictest of confidence.

For commercial properties where the information is not provided, we utilize income and expense data from up to 15 different sources.

Income Approach

The income approach converts the net operating income (NOI) of a property into an estimated market value through capitalization.

$$\text{NET OPERATING INCOME} = \text{GROSS REVENUE} - \text{OPERATING EXPENSES}$$

Allowable Operating Expenses

- Management - Typically 3-10% of total collected rent
- Salaries - Onsite workers
- Utilities - Utilities used by the property owner in the normal operations of the business such as common area lighting, heat, water, etc.
- Supplies and materials - Operating supplies, cleaning goods, etc.
- Repairs and maintenance - Building and equipment repairs and normal maintenance
- Marketing - Advertising costs and materials, internet website, promotions, commissions, etc.
- Insurance
- Miscellaneous - Small items
- Reserves for replacement - Short-lived items such as carpet, appliances, roof covering and heat/ac, that will need to be replaced during life of property
- Administrative - Accounting, postage, legal fees, office supplies, etc.

Commercial Cap Rates

COMMERCIAL CAP RATE =
NET OPERATING INCOME ÷ SALE PRICE

Cap rates are determined by gathering cap rate surveys from various sources as well as reported cap rates on sales (when available), particularly for the local market.

Resources for cap surveys include RealtyRates, PwC, Integra Realty Resources (IRR), Cushman & Wakefield, Colliers, Boulder Group, Avison Young, Marcus & Millichap, NAI Hallmark, etc.

To get reported cap rates, we use CoStar and/or Offering Memorandums when available. We also reach out to brokers and property owners.



Cost Approach

This approach is typically used for new or newer construction and looks at the building's construction costs.

Resources Used:

- Marshall & Swift Valuation Services - cost manual that provides building cost per square foot and applies adjustments for location, depreciation and more
- Building Permits from St. Johns County Building Department



Sales Comparison Approach

This approach compares sales of similar properties and looks at factors such as square footage, age, quality of construction, location and property type.

Commercial Sales are Qualified through:

- Research on CoStar, commercial property data company
- Request information from brokers
- Review recorded documents through St. Johns County Clerk of Court - mortgage, financing, etc.
- Review Sunbiz.org (Division of Corporations)
- Search online



Available Commercial Ad Valorem Exemptions



Historic Properties

This is a property tax exemption for up to 100% of the increase in assessed improvements resulting from an approved rehabilitation of a qualified historic property and may remain in effect for up to 10 years.



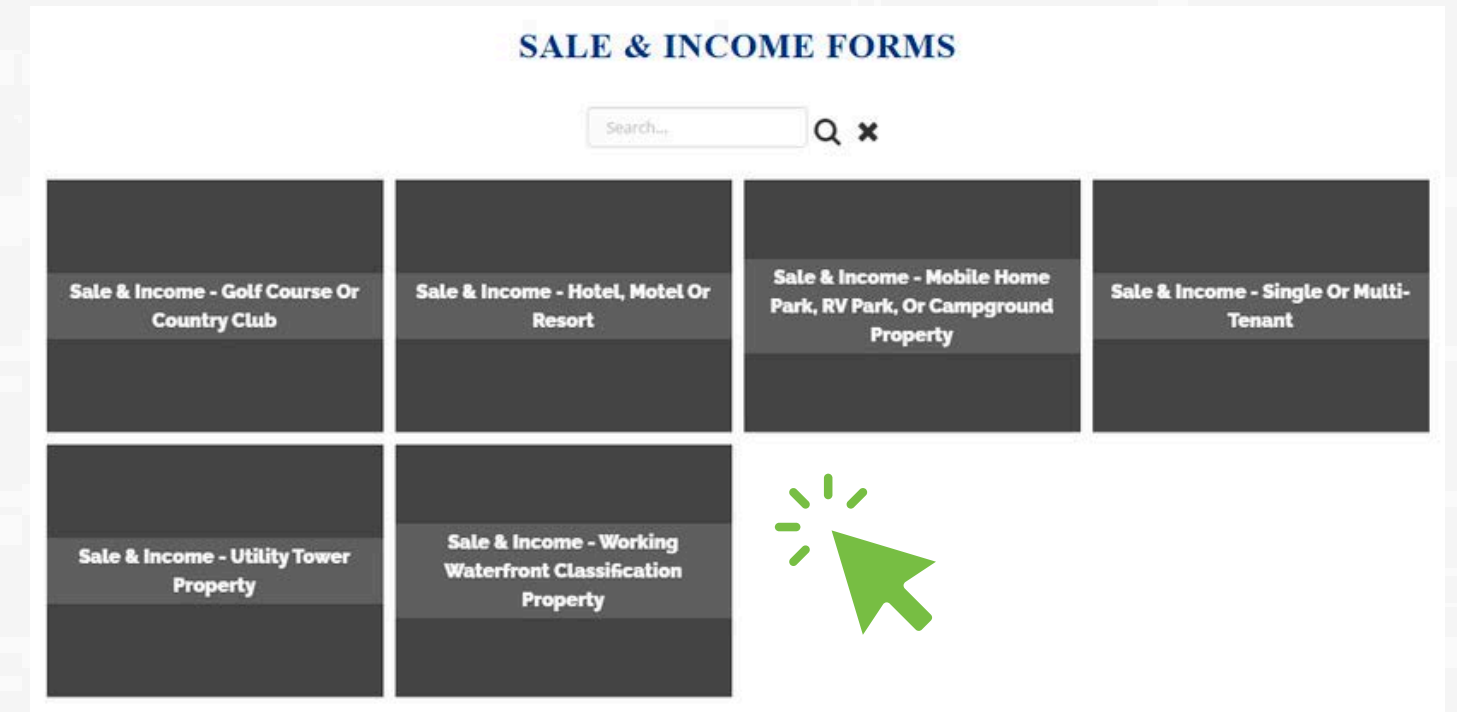
Non-Profit Properties

Eligible non-profit organizations can apply for commercial ad valorem tax relief. Eligible non-profits can include those with religious, charitable and educational purposes as well as hospitals, nursing homes and more.

How Do I File My Business Income Information?

The forms are available through our website.

1. Visit our website at www.sjcpa.gov
 - Go to **Forms & Data**
 - Scroll down and go to **Sale & Income Forms** section
 - Select and download appropriate form
2. Submit the form by email, mail or drop box
 - Email to commercial@sjcpa.gov
 - Mail to 4030 Lewis Speedway, Suite 203;
St. Augustine, FL 32084
 - Drop off in the drop box located at south entrance of our building



May 31, 2025

2025 Business Income Filing Deadline

Tangible Personal Property



What is Tangible Personal Property (TPP)?

TPP is personal property used to operate a business that is physical and can be relocated.

Examples:

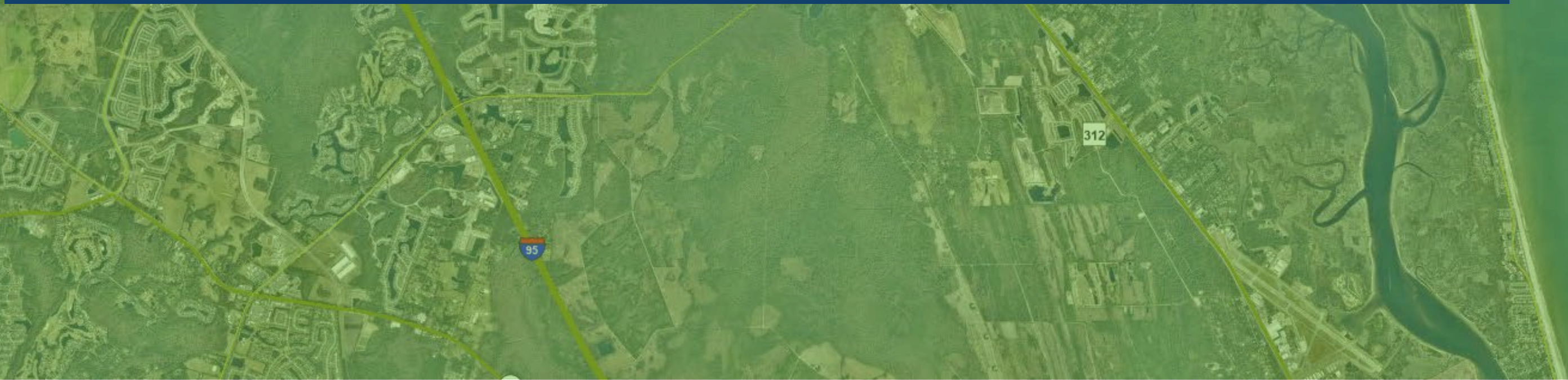
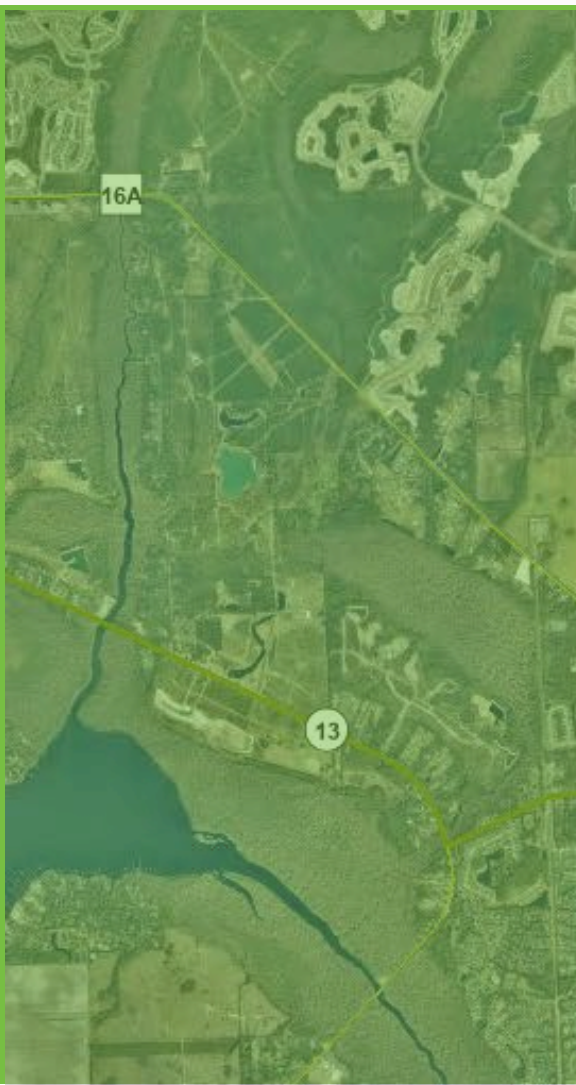
- Machinery and equipment, furniture, fixtures, tools, office equipment, computer equipment, signage and supplies
- Leasehold improvements related to your business
- Leased, loaned or rented equipment
- Furniture and fixtures used in the rental of any residential single family property or commercial property



Fun Fact:
1,500 to 2,000
new TPP accounts
are added each year.



Q: TPP has the highest-paying tax bill in the county.
What St. Johns County business contributes more than
\$7 million in taxes from TPP?





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What St. Johns County business contributes more than
\$7 million in taxes from TPP?

A: Florida Power & Light Company (FPL)

Who Must File a TPP Return?

All owners of a company, proprietorship, corporation or partnership as well as all contractors and self-employed agents who possess TPP on January 1 must file a TPP return each year.



Businesses:

Any business owner who owns TPP or who loans, leases or rents TPP must report such property



Rental Property:

Furniture and fixtures used in the rental of any residential single family property or commercial property are taxable



TPP reminder postcards are mailed in January to all St. Johns County taxpayers who may have property to report.

What Do I Need to Submit to File TPP for my Business?

All business assets, regardless of value, must be reported at 100% of the unadjusted original cost on **form DR-405**. This form must be submitted every year.

The summary of assets reported on form DR-405 is considered confidential and is not available to the public.



Fun Fact:

TPP is for any business, and this includes income-producing properties such as Airbnb, VRBO and long-term rentals.

TPP Exemption



\$25,000 TPP Exemption

Each TPP tax return is eligible for an exemption of up to \$25,000 of assessed value. To qualify for the exemption, an initial return must be filed.

If the assessed value based on the return is less than \$25,000, then the requirement to file a return is waived after the initial filing and the exemption is approved. You will know if your filing requirements are waived in your annual TRIM notice.

How Do I File a TPP Form?

Business owners can file their TPP on form DR-405 in 1 of 4 ways.

1. Online at www.sjcpa.gov

- Go to **Search Property Records**
- Then go to **Tangible Property Search**
- Use the online filing link included at the top of your TPP record card and follow the instructions provided to complete your return electronically

2. Email at tpp@sjcpa.gov

3. Mail to 4030 Lewis Speedway, Suite 203; St. Augustine, FL 32084

4. Drop Box located at south entrance of our building

File TPP Return

Please note this return will affect the 2025 tax year as we are no longer accepting returns for 2024.

Would you like to submit a Tangible Personal Property Tax Return?

[SJCPA Overview with Instructions.](#)

[Tangible Personal Property Tax Return](#)



April 1, 2025

2025 TPP Filing Deadline

TPP Late Filing Penalties

Per Florida Statute 193.072

1. The Following Penalties Shall Apply:

- a. For failure to file a return – 25% of the total tax levied against the property for each year that no return is filed
- b. For filing returns after the due date – 5% of the total tax levied against the property covered by that return for each year, for each month, or portion thereof, that a return is filed after the due date, but not to exceed 25% of the total tax

i.e. – 5% Each Month Late

- May 1 – 5%
- June 1 – 10%
- July 1 – 15%
- August – 20%
- September – 25% (with a maximum late penalty assessed at 25%)



Key Dates for Businesses



Be sure to take note of these dates because penalties for late filings may apply.



We're Here to Help.

An aerial photograph of St. Augustine, Florida, showing the city's layout, roads, and the St. Johns River. The image is overlaid with a semi-transparent blue filter. A bright green rectangular box with a white border is centered horizontally, containing the word "Questions?".

Questions?



Contact

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www.sjcpa.gov

ST. JOHNS COUNTY
PROPERTY APPRAISER
— Eddie Creamer, CFA —