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MEMORANDUM

TO: Orange County Value Adjustment Board

FROM: Aaron Thalwitzer, Esq., VAB Counsel

RE: Good Faith Payment Determination – Pet. No. 2025-00030

DATE: March 31, 2026

I. Summary

Petition Number 2025-00030 involves a denial of exemption and compliance with the “good faith” payment requirement under § 194.014(1)(b), Fla. Stat., which requires payment of all non-ad valorem assessments and the ad valorem taxes the petitioner admits in good faith to be owing before April 1.

This requirement prevents taxpayers from withholding all taxes while allowing payment only of amounts reasonably believed to be due. Unlike value challenges, exemption cases require a case-specific determination of the admitted amount, which is decided by the VAB.

Here, the petitioner paid \$3,592.77 in non-ad valorem assessments and \$0 in ad valorem taxes. The special magistrate recommended granting the petition and reducing the taxable value to \$0, resulting in no ad valorem taxes due. The payment is therefore consistent with the petitioner’s position.

The Tax Collector’s designation of the payment as “good faith” is not determinative. The VAB must make an independent determination.

Based on the special magistrate’s recommendation and the payment made, there is a reasonable basis for the VAB to find the “good faith” requirement satisfied.

II. Issue

Whether the petitioner satisfied § 194.014(1)(b), Fla. Stat., by paying all non-ad valorem assessments (\$3,592.77) and \$0 in ad valorem taxes in a denial of exemption case.

III. Relevant Law

Section 194.014(1)(b), Fla. Stat., requires a petitioner challenging a denial of exemption to:

- (1) Pay all non-ad valorem assessments; and
- (2) Pay the amount of ad valorem tax the taxpayer admits in good faith to be owing.

If the admitted amount is not made in good faith and is grossly disproportionate to the tax due, a penalty may apply. The VAB determines good faith.

IV. Background Facts

The following facts are relevant to the Board's determination:

- (1) The petition challenged denial of an exemption.
- (2) The petitioner paid \$3,592.77, representing all non-ad valorem assessments.
- (3) The petitioner paid \$0 in ad valorem taxes.
- (4) The Tax Collector has reported the \$0 payment as a "good faith" payment.
- (5) The special magistrate recommended that the petition be granted and reduced the taxable value to \$0.

V. Analysis

The "good faith" amount is the ad valorem tax that would be due if the petitioner's position is correct. Here, the petitioner asserts entitlement to an exemption reducing taxable value to \$0, which the special magistrate recommended granting.

Under that outcome, no ad valorem taxes are due. The petitioner's payment of all non-ad valorem assessments and \$0 in ad valorem taxes is therefore consistent with that position and constitutes a good faith admission of taxes owing.

VI. Recommendation

The VAB must independently determine compliance with § 194.014(1)(b), Fla. Stat. Based on the special magistrate's recommendation and the payments made, there is a reasonable basis to find that the petitioner's \$0 payment satisfied the "good faith" requirement.