

Property Tax Exemptions

A **property tax exemption** excludes all or part of a property's value from property taxation, resulting in lower taxes. A "Partial" exemption excludes a part of the value from taxation. It can exclude all of the value of a property from taxation if the exemption amount exceeds the market value (i.e., homestead exemption). An "Absolute" or "Total" exemption excludes the entire property from taxation (i.e., churches).

Homeowner Exemptions

Residence Homestead Exemption

To qualify, you must own and reside in your home on January 1 of the year application is made and cannot claim a homestead exemption on any other property. Suppose you temporarily move away from your home. In that case, you can still qualify for this exemption if you do not establish another principal residence and intend to return in less than two years. You may exceed the two-year limit if you are in military service serving outside of the United States or live in a facility providing services related to health, infirmity, or aging. Applications cannot be filed **before** the date you qualify for the exemption. If you are a single or married homeowner filing together, you may be eligible to apply online.

Each owner, excluding married couples, residing on the property must complete a **separate application** to qualify for an exemption for their interest in the property. If different individuals own this property, you must list the percent of ownership for each owner's name and mailing address who does not reside at the property. Exemptions are allocated according to the percent of ownership interest the applicant has in the property. For property owned through a beneficial interest in a qualifying trust, attach a copy of the document creating the trust. For heir property, see below for required documents.

Application Requirements:

1. Select all exemptions that apply and check the appropriate box (Step 3)
2. Answer all questions completely (Step 4)
3. Attach all documents required by the application (Step 4 & 5)
 - a. For all **applicants, attach** a copy of your **TX driver's license or TX ID card**. You may be exempt from this requirement if you reside in a facility that provides services for health, infirmity, or aging; or a certified participant of the Address Confidentiality Program (ACP) for victims of family violence, sexual assault, or stalking (attach proof). The **address** listed on your **TX driver's license or TX ID card** must **match** your **homestead address**. This requirement may be waived if you hold a driver's license under §521.121 (c) or §521.1211 for federal or state judges and spouse or peace officers (attach proof); or for active-duty members of the U.S. armed services and spouse (attach proof).
 - b. For **Disabled Person** Exemption, attach proof of your disability, including the date your disability began.
 - c. For **Age 55 or Older Surviving Spouse** of individual who qualified for Age 65 or Older Exemption or the Disabled Person Exemption, attach spouse's death certificate, list name of deceased spouse and date of death on the application.

- d. For **exemptions claimed on another property** or your **previous residence**, list the property address. If located outside of Taylor County, attach documentation from the other appraisal district verifying the removal of the exemption.
 - e. For an applicant **temporarily away** from the primary residence, list the date you intend to return to the property and the state the reason away.
 - f. For a **residence less than 100% complete on January 1** of the year application is made, attach proof of residency that proves you resided at your residence even though it was not 100% complete on January 1 (such as a utility bill dated on or before January 1 that was mailed to you at the property address).
 - g. For **any portion** of the property that is **used for rental purposes** or **not occupied/not used for homestead purposes** (such as a room over the garage, detached buildings, second dwelling, servants' quarters, etc.), list the square footage not occupied / not used for homestead purposes and if rented, record the date the property was rented. You may only claim a homestead exemption on the portion of the property you occupy as your primary residence (§11.13).
 - h. For **Cooperative Housing**, and you have an **exclusive right to occupy** the unit because you own stock in a cooperative housing corporation, attach a copy of the Certificate of Membership Purchase.
 - i. For a **resident of a facility that provides services for health, infirmity, or aging**, attach a letter from the facility stating the applicant's date of residency and confirmation of services received relating to health, infirmity, or aging.
 - j. For a certified **participant of the Address Confidentiality Program (ACP)** for family violence, sexual assault, or stalking (Subchapter C, Chapter 56, Code of Criminal Procedure), attach proof of participation.
 - k. For a holder of a **driver's license** under §521.121 (c) or §521.1211 **for federal or state judges and spouse or peace officers** who have omitted the residence address instead of the courthouse address in which the license holder or spouse serves, attach a copy of the license application from TX Department of Transportation.
 - l. For an **active duty member of the U.S. armed services** and spouse, attach a copy of your military ID card or that of your spouse AND a copy of a utility bill for the homestead property in your name or your spouse's name.
 - m. For **Age 65 or Older, Heir Property, or Disabled Person** who is **not explicitly identified on a deed** or other recorded instrument as an owner of the residence homestead, attach an affidavit (included with application) or other compelling evidence establishing the applicant's ownership of an interest in the homestead.
 - n. For **Manufactured Homes**, attach a copy of the statement of ownership and location issued by the TX Department of Housing and Community Affairs AND a copy of the purchase contract or payment receipt showing you are the owner. If you cannot establish ownership as stated above after making a good faith effort, complete the affidavit (included with the application).
4. **Complete the requested information** (Step 6, Driver's License, and Date of Birth). If you are married, it is to your benefit for your spouse to also provide ID information.

5. **Sign and date** the application (Step 6). You must affirm you have not claimed another residence homestead exemption in Texas or another state, and all information provided in the application is true and correct.

It is a **crime to make false statements** on a homestead application or file on more than one property. You could be found guilty of a Class A misdemeanor or a state jail felony under §37.10, Penal Code.

If you need to change your address on your TX driver's license or TX ID card to your homestead property address, please visit one of the Texas Department of Public Safety (DPS) locations.

TEXAS DRIVERS LICENSE LOCATIONS

Texas Department of Public Safety, 4649 S 1st St, Abilene, TX 79605

Phone: (325) 695-0988

www.txdps.state.tx.us

Age 65 or Older Homestead Exemption

You may qualify for this exemption on the date you become age 65.

Suppose you qualify for the 65 or Older Exemption. In that case, there is a property tax "**ceiling**" that automatically limits School taxes to the amount you paid in the year that you qualified for the homestead and the 65 or Older exemption. A County, City, or Junior College may also limit taxes for the 65 or Older exemption if they adopt a tax ceiling. Tax ceiling amounts can increase if you add improvements to your home (i.e., adding a garage, room, or pool).

In addition, 65 or Older homeowners who purchase or move into a different home in Texas may also **transfer the percentage** of school taxes paid based on the former home's school tax ceiling. This is commonly referred to as a **Ceiling Transfer**. However, to transfer your tax ceiling for County, City, or Junior College District taxes, you must move to another home within the same taxing unit. You must request a certificate from the Appraisal District for the former home and take it to the Appraisal District for the new home if located in a different district.

You may not receive both the Age 65 or Older and Disabled Person exemption from the same taxing unit in the same tax year; however, you may receive both exemptions from different taxing units. Please contact the Appraisal District if you believe you qualify.

Surviving Spouse of a Person who Received the 65 or Older Exemption

A Surviving Spouse may receive an extension of the 65 or Older exemption and the tax ceiling if qualified. To qualify, your deceased spouse must have been receiving the 65 or Older exemption on the residence homestead or would have applied and qualified before the

spouse's death. The Surviving Spouse must have been age 55 or older on the date of the spouse's death. You must have ownership in the home and proof of death of your spouse.

Disabled Person Homestead Exemption

You may receive the Disabled Person exemption immediately upon qualification of the exemption. You are eligible for this exemption if you are unable to engage in any substantial gainful work because of a physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months, or you are 55 years old and blind and unable to engage in your previous work because of the blindness. To automatically qualify, you must meet the Social Security definition for disabled and receive disability benefits under the Federal-Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration. To verify your eligibility, you must provide a current dated statement from the Social Security Administration showing that **you are disabled** and the **date your disability began**. Disability benefits from any other program do not automatically qualify you for this exemption. You do not have to receive disability benefits to qualify, but you must meet the Social Security definition for disabled. Suppose you are not receiving Social Security benefits. In that case, you must have your physician complete the DCAD "Physician's Statement" form available on this site, or you may contact Customer Service at 214-631-0910.

If you qualify for the Disability Exemption, there is a property tax "**ceiling**" that **automatically limits School taxes** to the amount you paid in the year you qualified for the homestead and Disability exemption. A County, City, or Junior College may also limit taxes for the Disability Exemption if they adopt a tax ceiling. Tax ceiling amounts can increase if you add improvements to your home (i.e., adding a garage, room, or pool).

In addition, Disabled homeowners who purchase or move into a different home in Texas may also **transfer the percentage** of school taxes paid based on the former home's school tax ceiling. This is commonly referred to as a **Ceiling Transfer**. However, to transfer your tax ceiling for County, City, or Junior College District taxes, you must move to another home within the same taxing unit. If located in a different district, you must request a certificate from the appraisal district for the former home and take it to the appraisal district for the new house.

You may not receive both the Age 65 or Older and Disabled Person exemption from the same taxing unit in the same tax year; however, you may receive both exemptions from different taxing units. Please contact the Appraisal District if you believe you qualify.

Surviving Spouse of a Person who Received the Disability Exemption

If qualified, a Surviving Spouse may receive an extension of the tax ceiling. To qualify, your deceased spouse must have been receiving the Disabled Person exemption on the residence homestead. The Surviving Spouse must have been age 55 or older on the date of the spouse's death. You must have ownership in the property and proof of death of your spouse. You may contact the Customer Service department for additional information at 214-631-0910.

Residence Homestead Exemption for Disabled Veteran with 100% Disability

You qualify for this exemption if you are a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disability or individual unemployability. Beginning 2009, this entitles you to an exemption of the total appraised value of your residence homestead.

An exemption application must be completed and accompanied with a copy of your V.A. award letter or another document from the United States Department of Veterans Affairs showing 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or individual unemployability.

A surviving spouse does qualify for the 100% Disabled Veteran Homestead Exemption, but surviving child does **not** qualify.

Donated Residence Homestead of Partially Disabled Veteran or Surviving Spouse of Disabled Veteran who qualified for Donated Residence Homestead

A disabled veteran is allowed an exemption equal to their disability rating (if less than 100 percent) on a residence homestead donated by a charitable organization. The same percentage exemption extends to the surviving spouse if certain conditions are met.

Surviving Spouse of First Responder Killed in the Line of Duty

A surviving spouse of a first responder who is killed or fatally injured in the line of duty which has not remarried since the first responder's death may be entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead. Documentation must be provided.

Late Filing

When filing for the Residence Homestead exemptions, you must apply no later than two years after the delinquency date. The Late filing includes the Age 65 or Older / Disabled Person Exemption.

Benefits of Exemptions

All school districts in Texas grant a reduction of \$25,000 from your market value for a General Residence Homestead exemption. Some taxing units also offer additional optional reductions for the homestead exemption. In addition, each school district will grant a minimum reduction of \$10,000 from the market value for the 65 or Older exemption. For optional exemptions, the governing body of each taxing entity decides whether it will offer the exemption and at what percentage or amount.

Heir Property is property owned by one or more individuals. At least one owner claims the property as a residence homestead, and the property was acquired by will, transfer on death deed, or intestacy. An heir property owner not explicitly identified as the residence homestead owner on a deed

or other recorded instrument in the county where the property is located must provide:

- An affidavit establishing ownership of an interest in the property
- A copy of the property owner's death certificate;
- A copy of the property's most recent utility bill; and
- A citation of any court record relating to the applicant's property ownership, if available.

Each heir property owner who occupied the property as a principal residence, other than the applicant, must provide an affidavit that authorizes the submission of the application.

Other Exemptions

Disabled Veteran or Survivors of a Disabled Veteran

You qualify for this exemption if you are a veteran of the U.S. Armed Forces. Your service branch or the Veterans Administration has officially classified you as disabled with a percentage of 10% or more. You must be a Texas resident. Your application can apply to anyone property you own on January 1, on which property taxes are assessed. You must complete an application and attach a copy of a currently dated letter from the Veterans Administration reflecting the percent of disability awarded. You must file the application by April 30 or late file no than five years after the delinquency date. A surviving spouse or child may also qualify to continue this exemption; if the survivor does not remarry, a surviving spouse may continue the exemption. When the disabled veteran attains age 65, is blind in one or both eyes, or has lost the use of one or both limbs, they will qualify for 100% of the maximum exemption amount of \$12,000 offered regardless of the disability percentage awarded by the V.A.

A surviving spouse or child of an armed forces member killed on active duty may qualify for this exemption. The surviving child, under age 18 and unmarried, or surviving spouse must be a Texas resident. An application must be completed along with a letter from the Veterans Administration showing the person died while on active duty and a copy of your marriage license; a surviving child must attach a copy of proof of age and relationship to the deceased.

Tax Deferral for Age 65 or Older or Disabled Homeowner

Suppose you are a homeowner or heir property owner who qualifies for the Age 65 or Older or the Disability exemption. In that case, you may also defer or postpone paying any property taxes on your home for as long as you own and live in it. It is important to note that this deferral only postpones your taxes and does not cancel them. It also accrues five (5) percent interest annually until the deferral is removed. When the property is sold, or the ownership is transferred to the estate/heirs, the taxes and accrued interest become payable. The Tax Deferral Affidavit form is available on this site, or you may contact Customer Service at 214-631-0910.

Note: If you have an existing mortgage on your residence, the tax deferral does not prevent your mortgage company from paying delinquent taxes; a tax deferral applies only to the collection of taxes.

Charitable Exemptions

An organization that qualifies as a charitable organization is entitled to certain exemptions from taxation. To qualify, the organization must be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes, engage exclusively in performing one or more of many charitable functions. A charitable organization must be operated in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain, and some charitable organizations must be organized as a non-profit corporation as defined by the Texas Non-Profit Corporation Act. See the Texas Property Tax Code in Section 11.18 for more details (link available on this site). The application is available on this site, or you may contact Customer Service at 214-631-0910.

Religious Exemptions

An organization that qualifies as a religious organization is entitled to certain exemptions from taxation. To qualify, the organization must be organized and operated primarily to engage in religious worship or promote the spiritual well-being of individuals. The organization must be operated in such a way that no individual profits (other than salary) and the organization's bylaws, charter, or other regulations must pledge its assets for use in performing the organization's religious functions. See the Texas Property Tax Code in Section 11.20 for more details (link available on this site). The application is available on this site, or you may contact Customer Service at 214-631-0910.

Agricultural Appraisal

Land designated for agricultural use is appraised at its value based on the land's capacity to produce agricultural products. The value of land based on its capacity to produce agricultural products is determined by capitalizing the average net income the land would have yielded under prudent management from production of agricultural products during the five (5) years preceding the current year. Property owners may qualify for agricultural appraisal under two different laws. You may refer to Subchapter C, Section 23.41 and Subchapter D, Section 23.51 of the Texas Property Tax Code (link available on this site) for details of these laws, or you may consult with the appraisal district. The open-space land (1-d-1) application is available on this site, or you may contact Customer Service at 214-631-0910.

Freeport Exemptions for Business Personal Property

Material that is transported outside of this state not later than 175 days after the date the person who owns it on January 1 acquired it, or imported it into this state, and assembled, manufactured, repaired, maintained, processed, or fabricated and shipped the materials out of the state during the required time is freeport goods. An application for this exemption must be filed with the appraisal district by April 30 each year. Copies of this application complete with instructions and supplemental forms are available on this site or obtained from the appraisal district.

Pollution Control Property

A person is entitled to an exemption from taxation of all or part of real and personal property that the person owns, and that is used wholly or partly as a facility, device, or method for the control of air, water, or land pollution if it qualifies on January 1. A person seeking an exemption under this section shall provide to the chief appraiser an exemption application on or before April 30 and a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d) determining that the facility, device, or method is used wholly or partly as pollution control property. A person seeking this exemption must render the pollution control property when filing a timely rendition.

Motor Vehicle Used for Production of Income and Personal Activities

An individual is entitled to an exemption from taxation of one motor vehicle the individual owned on January 1. The exemption will only apply to a vehicle used in their occupation or profession and used for personal activities that do not involve the production of income. This exemption does not apply to a motor vehicle used to transport passengers for hire (including a taxi, bus, or limousine). You must apply between January 1 and April 30. Attach a copy of the current vehicle registration receipt to the application. Failure to do so will result in the denial of the exemption. You may protest a denial of the exemption to the Appraisal Review Board. An individual is one person or owner for this application, as in a sole proprietor (not a partner, corporation, or cooperative). A motor vehicle means a passenger car or light truck. A passenger car means a motor vehicle, other than a motorcycle, golf cart, taxi, bus, or limousine, designed or used primarily for the transportation of persons. A light truck means a commercial motor vehicle with a manufacturer's rated carrying capacity of one ton or less.

Appointment of Tax Consultants

A person may not perform property tax consulting services for compensation unless the individual is a registered property tax consultant or a registered senior property tax consultant. Consultants must complete Appointment of Agent forms listing each account the consultant is authorized to represent. That form must be on file with the appraisal district before actions are taken on behalf of the tax consultant's client. Check with the appraisal district for more details on applying for this form.