

TEXAS PROPERTY TAX & HOMESTEAD EXEMPTIONS



WHAT IS TEXAS PROPERTY TAX?

In Texas, there is no state property tax. Instead, it is locally assessed and administered depending on where you live in the state. Property taxes pay for schools, roads, police and firemen, emergency response services, libraries, parks, and other services provided by local government. Texas state law provides for a variety of exemptions from property tax for both properties and property owners who qualify for the exemption. Texas offers a variety of partial or total (absolute) exemptions from appraised property values used to determine local property taxes. A partial exemption removes a percentage or a fixed dollar amount of a property's value from taxation. A total (absolute) exemption excludes the entire property from taxation. Taxing units are mandated by the state to offer certain (mandatory) exemptions and have the option to decide locally on whether or not to offer others. Homestead exemptions are granted by the central appraisal district (CAD) and reduce a homeowner's property tax bill by removing part of the home's value from taxation.

NEW CHANGES TO THE HOMESTEAD LAW - EFFECTIVE JANUARY 1ST, 2022

As of January 1st, 2022, homebuyers are allowed to file for and receive their homestead exemption in the year when they purchase the property instead of waiting until the following year. For more information, please contact your local county appraisal district (CAD) or visit: <http://comptroller.texas.gov/taxinfo/proptax/exemptions.html>

HOW DO I FILE FOR A HOMESTEAD EXEMPTION?

All Texas homeowners can obtain an application for a General Residence Homestead Exemption for their primary residence online at the website of their central appraisal district (CAD), on the Texas Comptroller's website, or in person at the CAD of the county where their property is located. In order to qualify for a residential homestead exemption, a copy of the applicant's Texas driver's license or Texas identification card must be included with the application. The address listed on the form of identification MUST match the homestead address. Common types of exemptions include General Homestead, Over 65, Disabled Person, and Disabled Veteran Homestead.

RULES & QUALIFICATIONS

1. As of January 1st, 2022, you may now apply for a homestead exemption as soon as you close on your home, per Texas legislation.
2. You must own your home and it must qualify as your primary residence on January 1st of the year for which you are applying. There are additional requirements for Over 65, Veteran's, and Disability exemptions. To qualify as a residence, your home must be complete and habitable on January 1st. A new home under construction would not meet this standard and would not qualify until the following year.
3. You may only claim one property at a time as a homestead in Texas.
4. Corporations or entities may not receive a homestead exemption – it is limited to individual homeowners only. Family trusts may qualify, but you must check with your local appraisal district for requirements.
5. A homestead may be a house, condo, or manufactured home. It can include up to 20 acres of land if the land is also owned by the homeowner and used as a yard or for another purpose related to the residential use of the home.