

# HOMESTEAD EXEMPTION

*Breaking down the*  
WHO, WHAT, WHERE, WHEN, WHY AND HOW

## WHAT IS IT?

A HOMESTEAD EXEMPTION REDUCES TAXES BY LOWERING A HOME'S TAXABLE VALUE. All school districts offer a \$100,000 homestead exemption, and some taxing units offer additional optional reductions for the homestead exemption. Homeowners can lower their property taxes by applying for these exemptions for which they are eligible. You must OWN your home and occupy it as your principal residence. You can only have ONE principal residence and ONE homestead exemption.

*Changes Effective 2023!*

Proposition 4, an \$18 billion property tax-cut package, was approved by over 80% of Texas voters in the November 7, 2023 constitutional amendment election.

### HOMESTEAD PROPERTY TAX LIMITS OWNED BY ELDERLY (OVER 65) OR DISABLED RESIDENTS

*Became effective 1/1/2023*

In Texas, if you are over 65 or are disabled, your school taxes are capped at whatever you paid in that year, meaning they won't rise or fall. This amendment extends tax relief to those who are capped by letting their tax bills go down as school tax rates go down.

### TEXAS PROPOSITION 4, PROPERTY TAX CHANGES AND STATE EDUCATION FUNDING AMENDMENT (2023)

*Applied to Landowners' 2023 Tax Bill*

Proposition 4 provided property tax relief to ALL homeowners. Previously, homeowners could only subtract \$40,000 from their home's value before school tax rates were levied and now that deduction has increased to \$100,000 in value. This means that the first \$100,000 of a home's assessed value is exempt from school district taxations.

### WHAT DOES THIS mean for your home?

Let's say your home is valued at \$350,000. With a \$40,000 exemption, your property tax bill is calculated on only \$310,000 of value instead of \$350,000. With the exemption increased to \$100,000, you would only pay taxes on \$250,000 of value.



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## WHO QUALIFIES?

These requirements must be met to receive the exemption:

1. You must own your home during the year for which you are applying
2. You must reside at the home as your principal residence, and not claim any other property as homestead.
3. Only individual homeowners (*not corporations or other entities*) may receive a homestead exemption. Contact the appraisal district for additional questions.
4. A homestead can be a house, condominium or a manufactured home. It can include up to 20 acres, 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.
5. A homeowner 65 years or older or disabled exemption is effective as of January 1st of the tax year the applicant qualifies for the homestead and applies to the entire tax year.

## WHEN DO YOU NEED TO APPLY?

The completed application and required documentation are due no later than April 30th of the tax year for which you are applying. A late application for a residence homestead exemption, including age 65 or older or disabled, may be filed up to two years after the deadline for filing has passed. (*Tax Code Section 11.431*) Once you receive an exemption, you do not need to reapply again unless the chief appraiser sends you a new application.

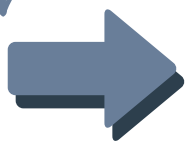
## WHY APPLY?

1. Potentially reduce the amount you pay in property taxes.
2. Homestead Cap takes effect after you've had your exemption in place for two years. This means that if your home appraises 10% or more above the previous year's appraisal value, you will only be taxed on the 10% increase. While your home will still be appraised for the full amount, you will not be taxed on any increase above 10%.
3. Homeowners 65+ and/or with disabilities receive additional tax relief.
  - An additional \$10,000 by school districts
  - If your taxes were capped and then school tax rates are lowered, you will be taxed at the lowered rate.

## HOW DO YOU APPLY?

1. Complete the *RESIDENCE HOMESTEAD EXEMPTION APPLICATION*. This form is available on the websites of most county appraisal districts, or at the Texas Comptroller's website.
2. Attach a copy of the property owner's driver's license or state-issued personal identification certificate. The address on your ID must match the property address for which the exemption is requested.

Click or  
Scan!



APPLICATION



MORE INFO



## WHERE TO FILE?

File the form and all supporting documentation with the appraisal district office in each county in which the property is located of the year for which the exemption is requested.

*DO NOT* file your application with the Texas Comptroller of Public Accounts.

### BASTROP COUNTY

512-303-1930

[www.bastropcad.org](http://www.bastropcad.org)

### BLANCO COUNTY

830-868-4013

[www.blancocad.com](http://www.blancocad.com)

### BURNET COUNTY

512-756-8291

[www.burnet-cad.org](http://www.burnet-cad.org)

### CALDWELL COUNTY

512-398-5550

[www.caldwellcad.org](http://www.caldwellcad.org)

### HAYS COUNTY

512-268-2522

[www.hayscad.com](http://www.hayscad.com)

### LEE COUNTY

979-542-2640

[www.leetax.org](http://www.leetax.org)

### TRAVIS COUNTY

512-834-9138

[www.traviscad.org](http://www.traviscad.org)

### WILLIAMSON COUNTY

512-930-3787

[www.wcad.org](http://www.wcad.org)