

**Property Tax Homestead Tax Relief & Remedies**

**The Texas legislature has enacted many tax relief provisions and favorable remedies. The following is a summary of some of these.**

**TAX RELIEF**

* The school homestead exemption was increased from $5000 to $15,000 in 1997. Currently, this provides over **$1 Billion per year in tax relief**.(11.13 Tax Code)
* A school district tax freeze was adopted with the original Tax Code for the elderly and disabled which current provides almost **$1 Billion per year in tax relief**. (11.26 Tax Code)
* A cap on increases on residence homestead values was enacted in 2005 which results in over **$300 Million in annual tax relief**. (23.23, Tax Code)
* The school district tax rate was compressed in 2005 which provides over **$1 Billion per year in tax relief**.
* Various other special homestead exemptions provide over **$340 Million per year in tax relief.**

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| Homestead Exemption $15000 | $ 1,052,357,208 |
| Tax Freeze | $ 952,161,243 |
| Appraisal Cap | $ 319,051,673 |
| Other Homestead | $ 340,208,925 |
| Homestead Tax Rate Compression | $ 1,166,386,993 |

**TAX REMEDIES**

* **Value Homes on Their Use:** The Constitution was amended in 2009 to provide that a residence homestead shall be appraised based on its use as a residence rather than its highest and best use. This prevents a home from being valued based upon adjacent commercial land sales and use. (23.01(d))
* **Homeowner Appeal Through Arbitration:** An owner of a residence homestead or property with a value under $1M may choose to appeal through binding arbitration at the Comptroller’s office with a fee of $500. (Chapter 41A Tax Code)
* **Elderly Tax Deferral:** A person 65 or older or disabled may defer payment of taxes on their residence homestead. The deferred taxes incur interest at the rate of 8% (33.06 Tax Code)
* **Tax Deferral of Value Increase:** Any person can defer payment of taxes on their residence homestead on any increase in value above a 5% increase from the previous year plus any new improvements. Thus if a property increases in value by 10%, the owner may defer 5% of that increase. The deferred taxes incur interest at the rate of 8% (33.065 Tax Code)
* **Equal & Uniform Treatment:** The equal and uniform remedy provides fair taxation to homeowners by ensuring that a homeowner will pay no more taxes than their neighbor. (41.43 & 42.26 Tax Code)
* **Subsequent Year Increases:** If a homeowner obtains a reduction in value by protest lawsuit or arbitration, the chief appraiser may not increase the value in the next year without substantial evidence. (23.01(e ) Tax Code)
* **Protest Hearing Postponement for Homeowners:** A property owner is entitled to a postponement of a protest hearing. (41.45( e) Tax Code)
* **Early Notice of Values:** Appraisal district are encouraged to send notices of appraised value a month early for homeowners than business owners so they can receive more prompt service.
* **Taxpayer Liaison:** A taxpayer liaison officer was created in major appraisal districts to assist homeowners.