

What is an exemption?

An exemption removes part of the value of your property from taxation and lowers your taxes. For example, if your home is valued at \$50,000 and you qualify for a \$9,000 exemption, you pay taxes on your home as if it was worth only \$41,000. Other than an exemption for disabled veterans or survivors, these exemptions apply only for your homestead. They do not apply to other property you own.

- ◆ The Texas Tax Code offers homeowners a way to apply for homestead exemptions to reduce local property taxes. Application is made to the appraisal district and there is no fee for filing. This is the homestead exemption explained in this brochure.
- ◆ The Texas Property Code allows homeowners to designate their homesteads to protect them from a forced sale to satisfy creditors. This law doesn't protect homeowners from tax foreclosure sales of their homes for delinquent taxes. The appraisal district office is unable to answer questions concerning designation of homestead for protection from forced sale.

Does your home qualify for a homestead or Over 65 exemption?



You must own your home.

- ◆ To qualify for a general or disabled homestead exemption, you must own your home on January 1.
- ◆ Your homestead can be a separate structure, condominium, or a mobile home located on leased land, as long as you own it.



You must use the home as your principal residence.

- ◆ If you have more than one house, you can only get exemptions for your main or principal residence. You must live in this home on January 1.



General homesteads

- ◆ School districts grant a \$15,000 general residential homestead exemption on your home's value for school taxes.
- ◆ Any taxing unit, including a school district, city, county or special district, may offer an exemption for up to 20% of your home's value. The amount of an optional exemption can't be less than \$5,000, no matter what the percentage is. For example, if your home is valued at \$20,000 and your city offers a 20% exemption, your exemption is \$5,000, even though 20% of \$20,000 is just \$4,000.
- ◆ Each taxing unit decides whether it will offer the exemption and at what percentage. This percentage exemption is added to any other home exemptions for which you qualify. The taxing unit must decide before May 1 of the tax year to offer this exemption.



Age 65 or over homeowners

- ◆ **School Exemptions.** If you are age 65 or older, your residence homestead will qualify for more exemptions. **Tax Ceiling.** Once you receive an over-65 homestead exemption, you get a tax ceiling for that home on your total school taxes. The school taxes on your home cannot increase as long as you own and live in that home. The tax ceiling is the amount you pay in the year that you qualify for the over-65 homeowner exemption. The school taxes on your home may go below the ceiling, but the school taxes will not be more than the amount of your ceiling.
- ◆ However, your tax ceiling can go up if you improve your home (other than normal repairs or maintenance). For example, if you add a garage or a game room to your home, your tax ceiling can go up. Also, your tax ceiling will change if you move to a new home.
- ◆ **Surviving Spouse.** When a homeowner who has been receiving the age-65-or-older exemptions and school tax ceiling dies, the exemptions and ceiling transfer to the surviving spouse if the survivor is 55 or older and has ownership in the home. The survivor must apply to the appraisal district for the transfer. The exemptions and ceiling remain in effect for as long as the spouse lives in the home.
- ◆ When you no longer live in the home, you will no longer qualify for the over-65 exemption for the remaining portion of that year. Taxes will be prorated based on the number of days that elapsed after you no longer qualified that home for the exemption to the end of the year.



Additional exemptions may also be available for veterans and disabled homeowners. If you have questions about exemptions or property records, or if your mailing address is incorrect, contact **Tarrant Appraisal District's Exemptions Department at 817-284-4063.**



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