

HOMESTEAD TAX EXEMPTION

WHAT IT IS & HOW TO APPLY

WHAT IS THE HOMESTEAD TAX EXEMPTION?

- ✓ In Texas, this potentially reduces the amount of property taxes owed on the property. With this exemption, taxing entities cannot raise your taxes by more than 10% of the prior year's value.
- ✓ Exemption may extend to the home and up to 20 acres of land used for a purpose related to the residential use of the homestead.
- ✓ Different taxing entities give different exemptions, depending upon the type of taxing entity and location.

HOW TO APPLY FOR HOMESTEAD EXEMPTION:

- 1 Download the application form from your appraisal district's website--it is free to apply!
- 2 Complete the form and attach copies of your Driver's License. Note: The address listed on your Driver's License must match the address of the homestead. Check with your local tax appraisal district for further information and requirements before submission.
- 3 Return the form to the Appraisal District.
What is the deadline for filing for a homestead exemption? A new law, effective January 1, 2022 allows homebuyers to file for a homestead exemption on the date they purchase or in the year when they purchase the property, provided it is their primary residence.
- 4 The homestead exemption will remain in place as long as the owners occupy the property as their homestead. If the owners sell the property or no longer occupy the homestead, they should request a removal of the exemption. Failure to do so may result in the assessment of penalties and interest on the portion of taxes that should not have been exempted.

RECENT CHANGES



Increased Exemption:

In 2023, the Texas legislature passed a bill that increases the amount of the homestead exemption for school districts taxes from \$40,000 to \$100,000. Additionally, individuals claiming an over 65 or disability exemption on their homestead will also receive an extra \$10,000 exemption on school taxes.



Appraisal District Periodic Review:

In 2023, Texas legislature passed a bill that requires appraisal districts to establish a program for periodically reviewing homestead exemptions granted by the district. Each appraisal district must review homestead exemptions at least once every 5 years.



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