

Lawmakers couldn't agree on property tax reform, but Texas homeowners can still get some relief

Cities, school districts and other local governments can provide discounts on property tax bills through the homestead exemption process. But not all Texans qualify for every exemption.

BY **ALEX SAMUELS** SEPT. 5, 2018 12 HOURS AGO



A lawmaker reads a flyer with property tax information that was distributed to Texas House members' desks during the 2017 special legislative session. Marjorie Kamys Cotera for The Texas Tribune

TEXplainer

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Today's Texplainer question was inspired by reader Beth Roby.

Hey Texplainer: Which homeowners qualify for property tax relief?

The property taxes Texas homeowners pay are determined by how much appraisal districts say land and buildings are worth and the tax rates that local

government entities like cities, counties and school districts each set.

Many Texans say their property taxes are too high. And even though the state does not collect property taxes, Texas lawmakers say they want to slow increases in property tax bills. Yet all homeowners can already qualify for some sort of relief through what's called the exemptions process.

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All homeowners are eligible to have the taxable values on their homes reduced by \$25,000 for school district taxes that typically account for more than half of a property tax bill, as long as they apply for a residence homestead exemption, according to Debbie Cartwright, counsel for the Texas Taxpayers and Research Association.

Under the state's tax code, people only qualify for reduced school district taxes on their primary residence. They also must own the qualifying home at the start of the calendar year. Someone who owns several homes can't declare all of them as homesteads, said Bill Longley, the legislative counsel for the Texas Municipal League.

"I can own five homes in the city of Austin but I would only get to declare one as my homestead — and that's the house that I live in," Longley said. "The other four, if I'm putting them on AirBnb or whatever, I wouldn't get to declare them as a homestead."

On top of the \$25,000 school homestead exemption that all homeowners qualify for, disabled Texans and those who are 65 years old and older are eligible to receive an additional \$10,000 school homestead exemption, according to the Texas Comptroller's [website](#). If a homeowner qualifies for both \$10,000 exemptions (e.g. they're both elderly and disabled) they must choose one or the other for school district taxes and cannot receive both exemptions.

Other local entities are also able to offer property tax relief. Cities, counties and community college districts can put a ceiling on the tax bills of Texans who are 65 and older, though they're not required to, said Dick Lavine, a senior analyst for the Center for Public Policy Priorities.

Elderly or disabled Texans also have discretion to defer payment of their property taxes by completing an application with their appraisal district. If those Texans go this route, their taxes — plus interest — are due when their property is sold or transferred. Who is responsible for back payments is typically determined as part of the sale or transfer, Cartwright said.

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All local taxing units, including public hospital districts and special utility districts, can also adopt local homestead tax exemptions that reduce by 20 percent the amount of property value on which Texans are taxed. The governing bodies of local entities, like school boards and city councils, can voluntarily offer these exemptions or residents can petition officials for them.

“Local homestead exemptions can be both targeted to a specific population, like the disabled or elderly, or a blanket relief to all homeowners within the city,” Longley said. “These exemptions don’t apply to businesses and business owners who are paying property taxes.”

Disabled veterans and the surviving spouses of deceased veterans are also eligible for additional property tax relief.

Completely disabled veterans and their surviving spouses do not have to pay any property taxes. Homeowners who fall in this camp have to apply for the exemption with their local appraisal district between Jan. 1 and April 30, per the Texas Comptroller. Partially disabled veterans and their surviving spouses receive property tax exemptions scaled to their disability rating as determined by the Department of Veterans Affairs.

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Looking ahead to next year's legislative session, it's possible more tax exemptions will be created. In 2017, House lawmakers discussed dozens of measures that aimed to slow property tax growth, overhaul the appraisal process, simplify tax notices and increase or provide exemptions to some military members. Many of those measures failed, however.

The bottom line: All homeowners qualify for some sort of relief through the exemptions process. Residence homestead owners are eligible for a \$25,000 exemption on their school property taxes, for example. One-hundred percent disabled veterans and their surviving spouses do not have to pay any property taxes.

***Note:** This story followed a monthlong discussion on property taxes in our Facebook group, This is Your Texas. Sign up [here](#) to join the conversation.*