

**ATTENTION –**

**DO NOT BE SCAMMED  
THERE IS NO FEE TO FILE  
ANY EXEMPTION FORM**

## **Exemptions 101**

### **Do I, as a homeowner, get a tax break from property taxes?**

You may apply for homestead exemptions on your principal residence. Homestead exemptions remove part of your home's value from taxation, so they lower your taxes.

For example, your home is appraised at \$100,000, and you qualify for a \$15,000 exemption (this is the amount mandated for school districts), you will pay school taxes on the home as if it was worth only \$85,000. Taxing units have the option to offer a separate exemption of up to 20 percent of the total value.

### **Do all homes qualify for homestead exemptions?**

No, only a homeowner's principal residence qualifies. To qualify, a home must meet the definition of a residence homestead: The home's owner must be an individual (for example: not a corporation or other business entity) and use the home as his or her principal residence on January 1 of the tax year. If you are age 65 or older, or disabled, the January 1 ownership and residency are not required for the age 65 or disabled homestead exemption.

### **What is a homestead?**

A homestead can be a separate structure, condominium or a manufactured home located on owned or leased land, as long as the individual living in the home owns it. A homestead can

include up to 20 acres, if the land is owned by the homeowner and used for a purpose related to the residential use of the homestead.

## **What homestead exemptions are available?**

There are several types of exemptions you may receive.

- **School taxes:** All residence homestead owners may receive a \$15,000 homestead exemption from their home's value for school taxes.
- **County taxes:** If a county collects a special tax for farm-to-market roads or flood control, a residence homestead owner may receive a \$3,000 exemption for this tax. If the county grants an optional exemption for homeowners age 65 or older or disabled, the owners will receive only the local-option exemption.
- **Age 65 or older and disabled exemptions:** Individuals 65 and older and/or disabled residence homestead owners may qualify for a \$10,000 homestead exemption for school taxes, in addition to the \$15,000 exemption for all homeowners. If the owner qualifies for both the \$10,000 exemption for 65 and older homeowners and the \$10,000 exemption for disabled homeowners, the owner must choose one or the other for school taxes. The owner cannot receive both exemptions.
- **Optional percentage exemptions:** Any taxing unit-including a city, county, school, or special district-may offer an exemption of up to 20 percent of a home's value. But, no matter what the percentage is, the amount of an optional exemption cannot be less than \$5,000. Each taxing unit decides if it will offer the exemption and at what percentage. This percentage exemption is added to any other home exemption for which an owner qualifies. The taxing unit must decide before July 1 of the tax year to offer this exemption.
- **Optional 65 or older or disabled exemptions:** Any taxing unit may offer an additional exemption amount of at least \$3,000 for taxpayers age 65 or older and/or disabled.

## **How do I get a general \$15,000 homestead exemption?**

You may file an Application for Residential Homestead Exemption with your appraisal district for the \$15,000 homestead exemption up to one year after the taxes on the homestead are due. Once you receive the exemption, you do not need to reapply unless the chief appraiser sends you a new application. In that case, you must file the new application. If you should move or your qualification ends, you must inform the appraisal district in writing before the next May 1st.

## **How do I get an additional \$10,000 65 or older or disabled homestead exemption?**

You may apply to the appraisal district up to one year after the date you turn 65 or qualify for disability, or up to one year after the taxes are due, whichever is later. If your application is approved, you will receive the exemption for the entire year in which you turn 65 or become disabled and for subsequent years as long as you own a qualified homestead. Beginning in 2005, if your date of birth was on your original homestead application or other written correspondence to the appraisal district about your homestead you will automatically receive the 65 or older exemption without applying, if you are entitled to the general homestead exemption.

## **How do I qualify for a disabled person's exemption?**

You are eligible for this exemption if you can't engage in gainful work because of a physical or mental disability or you are 55 years old and blind and can't engage in your previous work because of the blindness. To qualify, you must meet the Social Security definition for disabled. You qualify if you receive disability benefits under the federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration. Disability benefits from any other program do not automatically qualify you. To prove your eligibility, you may need to provide the appraisal district with information on your disability. Contact your local appraisal district for information on what documents they require to prove your eligibility.

## **Deadline for filing for a homestead exemption?**

You may file for any homestead exemption up to one year after the delinquency date. The delinquency date is normally February 1st. If you are 65 or older or disabled, you qualify for the exemption on the date you become 65 or become disabled. To receive the exemption for that year, 65 or older or disabled homeowners must apply for the exemption no later than one year from the date you qualify or one year after the delinquency date, whichever is later. If you miss the deadline you may apply for the following year.

## **May I continue to receive the residence homestead exemption on my home if I move away temporarily?**

If you temporarily move away from your home, you may continue to receive the exemption if you do not establish a principal residence elsewhere, you intend to return to the home, and you are away less than two years. You may continue to receive the exemption if you do not occupy the residence for more than two years only if you are in military service serving outside of the United States or live in a facility providing services related to health, infirmity or aging.

## **What is a homestead tax ceiling?**

It is a limit on the amount of taxes you must pay on your residence. If you qualify your home for a 65 and older or disabled person homestead exemption for school taxes, the school taxes on that home can't increase as long as you own and live in that home. The tax ceiling is the amount you pay in the year that you qualified for the 65 or older or disabled person exemption. The school taxes on your home may go below the ceiling but not above the amount of the ceiling. However,

if you improve the home (other than normal repairs or maintenance), the tax ceiling may go higher because of the new additions. For example, if you add on a garage or game room to the house after you have established a tax ceiling, the ceiling will be adjusted to a higher level to reflect the value of that addition.

## **Does the school tax ceiling transfer when a person who is age 65 or older or is disabled or is the surviving spouse (age 55 or older) of a person who was age 65 or older moves to another home?**

A percentage of the school tax ceiling may be transferred.

The ceiling on the new home would be calculated to give you the same percentage of tax paid as the ceiling on the original home. For example, if you currently have a tax ceiling of \$100, but would pay \$400 without the ceiling, the percentage of tax paid is 25 percent. If you move to another home and the taxes on the new homestead would normally be \$1,000 in the first year, the new tax ceiling would be \$250, or 25 percent of \$1,000.

To transfer the school tax ceiling, you may request a certificate from the chief appraiser in the last appraisal district in which you received the tax ceiling. You present the transfer certificate to the chief appraiser in the district where the new home is located, when you apply for homestead exemptions on the new home.

## **If I am the surviving spouse of a disabled person, am I entitled to the school tax ceiling?**

No, only surviving spouses (55 years of age or older) of persons who were 65 years of age or older when they died may benefit from the tax ceiling.

## **If I am 65 years of age or older, disabled, or a surviving spouse who is age 55 or older, does a tax ceiling apply to county, city or junior college district property taxes?**

Yes, *if* the county commissioners court, city council or board of the junior college district authorizes a tax limitation on the homesteads of persons 65 years of age or older or disabled. The taxing unit's governing bodies or voters (by petition and election) may adopt the limitation. This local option exemption does not apply to other special districts such as water, hospital, etc.

## **Can the local option ceiling transfer if the owner who is age 65 or older or disabled moves to another home?**

Yes, but the home must be located within the applicable taxing unit - city, county or junior college district. The ceiling on the new home is calculated the same as the school district.

### **Can the local option ceiling transfer to another home owned by the surviving spouse who is 55 year of age or older?**

No, regardless of the underlying qualifications (65 and older or disabled person).

### **If I own only 50 percent of the home I live in, do I qualify for the residence homestead exemption on the home?**

Yes. However, if you qualify for a homestead exemption and are not the sole owner of the property to which the homestead exemption applies, the exemption you receive is based on the interest you own. For example, you own a 50 percent interest in a homestead and will receive one half, or \$7,500, of a \$15,000 homestead offered by a school district.

### **Is the disabled veteran's exemption the same as the disabled person's exemption?**

No. To receive a **disabled veteran** exemption, you must either be a veteran who was disabled while serving with the U.S. armed forces or the surviving spouse or child (under 18 years of age and unmarried) of a disabled veteran or of a member of the armed forces who was killed while on active duty.

In order to qualify for a **disabled person** exemption, you can't engage in gainful work because of physical or mental disability or you are 55 years old and blind and can't engage in your previous work because of your blindness. If you receive disability benefits under the federal Old Age, Survivors and Disability Insurance Program administered by the Social Security Administration, you will qualify for the disabled person exemption.

### **What is the amount of the disabled veteran's exemption?**

The exemption amount that a qualified disabled veteran receives depends on the veteran's disability rating from the branch of the armed service:

<b>Disability Exemption</b>	
<b>Disability Rating</b>	<b>Exemption Amount</b>

Disability Exemption	
Disability Rating	Exemption Amount
10% to 29%	\$5,000 from the property's value
30% to 49%	\$7,500 from the property's value
50% to 69%	\$10,000 from the property's value
70% to 100%	\$12,000 from the property's value

The disabled veteran must be a Texas resident and must choose one property to receive the exemption.

## 100 Percent Disabled Veterans FAQ

Section 11.131 of the Tax Code requires an exemption of the total appraised value of homesteads of Texas veterans who received 100% compensation from the U.S. Department of Veterans Affairs due to a 100 percent disability rating or determination of individual unemployability by the U.S. Department of Veterans Affairs. Here are some common questions resulting from this legislation.

### **Can this exemption be applied to all properties owned by a veteran who qualifies?**

**ANSWER:** No, this exemption can only be applied to a residence homestead of a disabled veteran.

A disabled veteran who owns property other than his residence homestead may apply for a different disabled veteran's exemption. This exemption is in Tax Code Section 11.22 and is applied according to the veteran's disability rating of 10% or higher. An eligible disabled veteran may receive both exemptions.

**In order to qualify for this exemption, do you have to be receiving a 100 percent disability rating and receiving 100 percent service connected disability compensation?**

**ANSWER:** Yes, a disabled veteran with a service connected disability receiving 100 percent disability compensation and with a disability rating of 100 percent (or determination of individual unemployability) would be eligible for this exemption.

**To qualify for this exemption does a veteran have to be both unemployable and have a service connected disability rating of 100 percent?**

**ANSWER:** No, a disabled veteran who has a service connected disability and is receiving 100 percent disability compensation would be eligible for this exemption if he or she is either 100 percent disabled or is unemployable.

**When do you have to apply for this exemption?**

**ANSWER:** You must make application to your local appraisal district between January 1 and April 30. You may download and print the Application for Residence Homestead Exemption from the Comptroller's Web site.

**If you become eligible for the 100% disabled veteran residence homestead exemption in the middle of a tax year, does the exemption apply to that tax year?**

**ANSWER:** Beginning with the 2012 tax year, a person who qualifies for the exemption after January 1 of a tax year may receive the exemption immediately on qualification for the applicable portion of that tax year.

**If a 100% disabled veteran moves to a different residence homestead in the middle of a tax year, what happens to the exemption on the previous residence?**

**ANSWER:** If an exemption that applied to a residence homestead on January 1 ends during the year, tax is due on the homestead for the portion of the year after the date the exemption ends. This applies to tax years that begin on or after January 1, 2012.

**If a 100% disabled veteran moves to a different residence homestead in the middle of a tax year, when does the exemption apply to the new residence?**

**ANSWER:** The exemption starts immediately when the 100% disabled veteran's residence homestead purchases the new residence. The tax due for that tax year is the amount due for the portion of the year before the exemption started. This applies to tax years that begin on or after January 1, 2012. A residence homestead application must be filed with the appraisal district in which the new residence homestead is located.

## **Surviving Spouse of 100 Percent Disabled Veterans**

In 2011, Texas voters approved a residence homestead exemption for the surviving spouse of a 100% or totally disabled veteran. The residence homestead application form has been modified to incorporate these changes.

**Who is entitled to the exemption?**

**ANSWER:** An individual must have been married to a disabled veteran at the time of the veteran's death and the disabled veteran must have qualified for the 100% or totally disabled veteran exemption when he or she died. The property must have been the residence homestead of the surviving spouse when the disabled veteran died and remain the residence homestead of the surviving spouse.

**Does a surviving spouse qualify for an exemption if he or she remarries?**

**ANSWER:** No. A surviving spouse does NOT qualify if the surviving spouse has remarried since the death of the disabled veteran.

**How much is the exemption?**

**ANSWER:** The total appraised value of the same property to which the disabled veteran's exemption applied.

**What tax years can a surviving spouse obtain the exemption?**

**ANSWER:** The exemption applies to a tax year beginning on or after Jan. 1, 2012.

**If a surviving spouse qualifies for the exemption and then moves to a new residence homestead, can the surviving spouse get an exemption on that homestead?**



**ANSWER:** A surviving spouse can receive an exemption on a subsequent homestead if he or she has not remarried since the death of the disabled veteran; however, the amount of the exemption is the dollar amount of the exemption from taxation of the former homestead in the last year the surviving spouse received the exemption.

## **May I file for a disabled veteran's exemption after the deadline has passed?**

Yes. The deadline for filing for a disabled veteran's exemption is between January 1 and April 30 of the tax year. However, you may file for a disabled veteran's exemption up to one year from the delinquency date. To file for a disabled veteran's exemption, you must complete the Application for Disabled Veteran's or Survivor's Exemptions form.

## **LEASED VEHICLE**

### **If I lease a vehicle that I use for personal purposes, do I have to pay property taxes on the vehicle?**

In Texas, all property is taxable, unless exempt by state or federal law. Leased vehicles produce income for the leasing company and are taxable to the leasing company. In many leasing contracts, companies require their lessees to reimburse them for property taxes assessed on the vehicles.

Leased vehicles that are not held for the primary purpose of income production by the lessee may be exempted. These vehicles include passenger cars or trucks with a shipping weight of not more than 9,000 pounds and leased for personal use. Personal use would mean using the vehicle more than 50 percent of its use (based on mileage) for activities that do not involve the production of income. The exemption applies only to vehicles subject to a lease entered into on or after January 2, 2001. Any leased vehicles contracted before January 2, 2001 would continue to be taxed. In addition, cities that passed an ordinance before January 1, 2002, could continue to tax personal leased vehicles. The law was effective on January 1, 2002.

To qualify for the exemption, you must timely file an affidavit with the leasing company. You should provide the Lessee's Affidavit of Primarily Non Income Producing Vehicle Use form or the leasing company could provide one for you.

To receive the exemption, the leasing company must file a Lessor's Application for Personal Use Lease Automobile Exemptions with the county appraisal district where the property is located before April 30 of each year. The exemption application should contain all vehicles that are used primarily for personal use. If the leasing company does not file the application timely, the vehicle is not exempt for that year.

# **RELIGIOUS OR CHARITABLE EXEMPTION**

**If a religious or charitable organization purchases property during the year, may the organization receive an exemption on the new property for that year?**

Yes. The religious or charitable organization may receive a property tax exemption for the year in which it purchases qualifying property. To receive the exemption for that year, the organization has to file for the exemption within one year of acquiring the property.