

PENALTY AND INTEREST SEC. 33.01 (TEXAS PROPERTY TAX CODE)

Property Tax

Delinquent Tax Collection Rates:

Important: Please read all information below regarding delinquent taxes as the delinquent tax rates listed below are not applicable to every situation.

Penalty + Interest			
February	6 % + 1 %	August	12 % + 7 %
March	7 % + 2 %	September.....	12 % + 8 %
April	8 % + 3 %	October.....	12 % + 9 %
May	9 % + 4 %	November.....	12 % + 10 %
June	10 % + 5 %	December	12 % + 11 %
July	12 % + 6 %	January	12 % + 12 %

Calculating the Tax Amount:

Each year in September, the governing bodies of the local taxing units decide what services they will provide and how much money they will need. They adopt the unit budget and set the tax rate for the year that will provide the needed revenue.

Taxing units also have the authority to allow partial exemptions. These exemptions reduce the taxable value of qualifying properties. Homestead, Over-65, and Disability exemptions are partial exemptions which can be granted on your principal place of residence. They can only be claimed on one piece of property in the State of Texas.

Taxes are calculated by subtracting the value of any exemptions, and the cap value if applicable, from the homestead value of the property and then adding any productivity or non-qualifying value. This result, the taxable value, is then multiplied by the tax rate and divided by 100 to arrive at the tax amount for the taxing unit. This process is repeated for each taxing unit.

Delinquent Tax Collection Rates:

The following schedule provides penalty and interest rates for use in calculating the total amount of penalty and interest due on delinquent tax bills. The rates in this schedule do not apply to taxes paid in quarter payments, half payments, or to delinquent taxes in years where a successful rollback election was held. Value or exemption changes by the appraisal district may postpone the delinquency date.

On February 1, current year taxes become delinquent and will incur penalty and interest according to the schedule below. An additional collection penalty may be charged on accounts that are delinquent on April 1 for personal property or July 1 for real property. Mineral accounts are considered real property. The collection attorney fees will be 20 percent of the total taxes, penalties and interest due, depending on your taxing jurisdiction. After July, interest continues to accrue at 1 percent per month.

Taxes not paid by January 31 will increase as follows:

If tax is paid in (MONTH) add: PENALTY + INTEREST = TOTAL PERCENTAGE (listed below)

- February = 7 percent
- March = 9 percent
- April = 11 percent
- May = 13 percent
- June = 15 percent
- July = 18 percent

Any payment on the quarter payment plan that is not paid before the delinquency date for the installment accrues a 6 percent penalty. For each month not paid, add 1 percent interest, which accrues at the rate of 1 percent per month until paid. Similarly, if the second half payment is not paid by June 30, the payment is delinquent. A 12 percent penalty is assessed on the unpaid tax as well as interest at the rate of 1 percent per month and attorney collection fees until paid.