

# Homestead Exemptions: What You Should Know

## Homestead, defined

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 as a yard or for another purpose related to the residential use of the homestead.

## Requirements

Homestead exemptions remove part of your home's value from taxation. If you want to receive a homestead exemption for the taxes on your home, the property must first qualify as a residence homestead on January 1 of the year in which you are applying. There are two requirements:

1. You must own your home on January 1. (If you are over 65 and/or disabled, the January 1 ownership and residency are not required.)
2. You must use the home as your principal residence on January 1.

## What homestead exemptions are available?

**School taxes:** All residence homestead owners are allowed a \$40,000 residence 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.

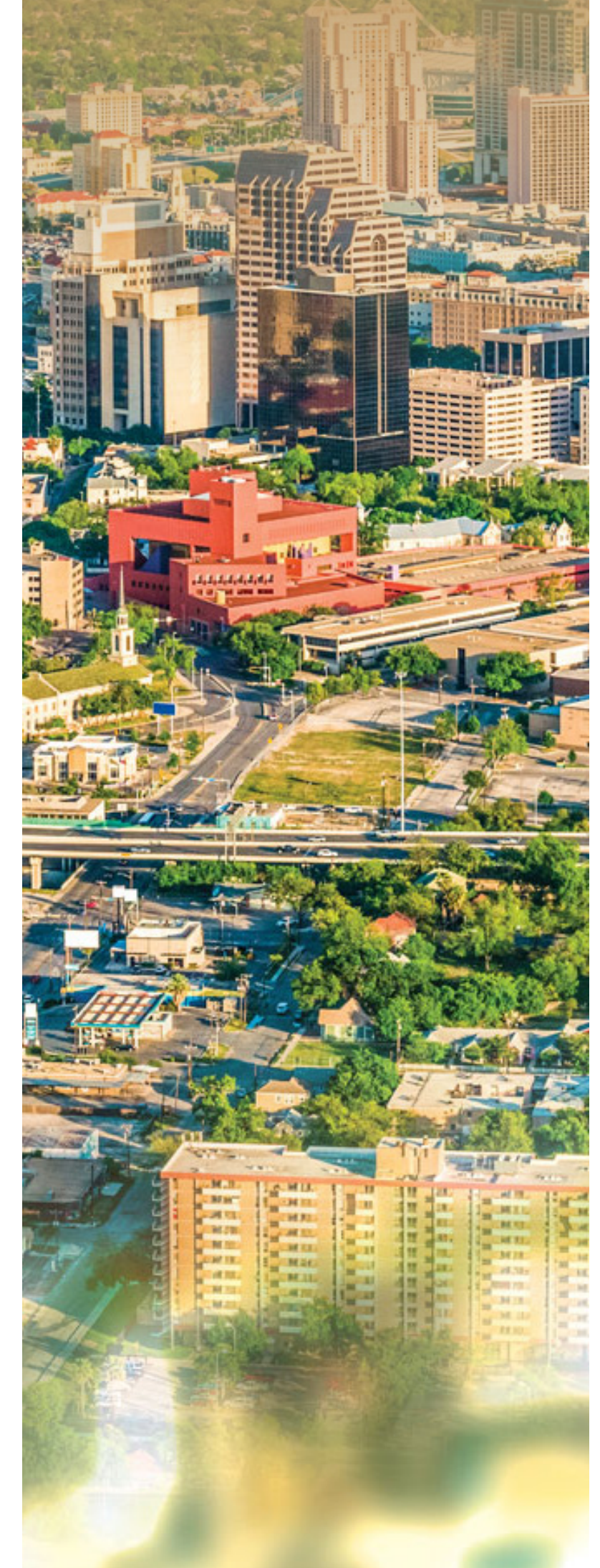
**Age 65 or older and disabled exemptions:** Individuals 65 and older and/or disabled residence homestead owners may qualify for a \$10,000 homestead exemption for school taxes, in addition to the \$15,000 exemption for all homeowners. If the owner qualifies for both the \$10,000 exemption for 65 and 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 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.

**Optional percentage exemptions:** Any taxing unit — including a city, county, school or special district — may offer an exemption of up to 20% 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.

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TEXAS IS A  
HOMESTEAD  
STATE





# TEXAS IS A HOMESTEAD STATE

## **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, if your home is appraised at \$300,000 and you qualify for a \$40,000 exemption (this is the amount mandated for school districts), you will pay school taxes on the home as if it was worth only \$260,000. Taxing units have the option to offer a separate exemption of up to 20% 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. An age 65 or older or disabled exemption is effective as of January 1 of the tax year the applicant qualifies for the homestead and applies to the entire tax year.

## **What documentation do I need to provide in order to obtain a homestead exemption?**

A state law that took effect on September 1, 2011 has changed proof of residency requirements for homeowners applying for the property tax homestead exemption. It's vital that buyers update their address on their driver licenses and with the tax assessor/collector in their area.

1. Application for residential homestead exemption (available on the websites of most county appraisal districts).
2. Copy of driver licenses or identification card from the Texas Department of Public Safety at [dps.texas.gov](https://www.dps.texas.gov).
3. If you do not own a vehicle, you must complete the non-ownership of motor vehicle affidavit (found on the application for residential homestead exemption), sign it before a notary public and attach a copy of a utility bill showing the homestead address.
4. The homestead exemption will not be allowed unless all the required documents show the same homestead address. All three documents must have the same address.

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