

# TEXAS PROPERTY TAX EXEMPTIONS



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***Property taxes pay for schools, roads, police and firemen, emergency response services, libraries, parks, and other services provided by local government.***

Unprecedented state revenues allowed Texas lawmakers this year to propose reducing school property taxes by billions of dollars to help ease some of the burden on property owners through increased exemptions, reductions in school district tax rates and limitations on appraised values for certain properties. It was an arduous journey, with lawmakers tackling the issue in the regular legislative session and in two of the special sessions in 2023.

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## **RELIEF FOR TEXAS PROPERTY OWNERS**

**With Texas voters' approval of Proposition 4, taxpayers' 2023 property tax bills, as outlined in Senate Bill (SB) 2, will be based on the value adjusted for:**

- **An increase in the residence homestead exemption for school districts from \$40,000 to \$100,000.** You may apply for homestead exemptions on your principal residence in order to remove part of your home's value from taxation, so they lower your taxes. A residence homestead can be a separate structure, condo or a manufactured home located on owned or leased land, as long as the individual living in the home owns it. A residence 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.
- **Compressed school district tax rates** by an additional \$0.107 for the 2023-2024 tax year.
- **An adjustment to the tax limitation** (commonly called a tax ceiling or tax freeze) **for an individual who is aged 65 or older or disabled** related to the increase in the residence homestead from \$25,000 to \$40,000 and from \$40,000 to \$100,000, as well as ongoing adjustments based on any future increase in the residence homestead exemption.
- **A temporary three-year "circuit breaker"** limitation on the appraised value of real property, other than residence homesteads or property subject to special appraisal, of 20 percent of the appraised value of the property in the prior year plus the value attributable to new improvements.