



## HOMESTEAD EXEMPTION *FAQs*

### **AS A HOMEOWNER, HOW DO I QUALIFY FOR A PROPERTY TAX BREAK?**

A: As a homeowner, you may apply for a homestead exemption 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 \$35,000, and you qualify for a \$15,000 exemption, you will pay taxes on the home as if it was worth only \$20,000.

### **WHAT HOMES QUALIFY FOR HOMESTEAD EXEMPTIONS?**

A: Not all homes qualify for a homestead exemption. Only the homeowner's principal residence qualifies. 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 1st of the tax year.

### **WHAT IS A HOMESTEAD?**

A: A homestead can be a separate structure, condominium or a mobile 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 used as a yard or for another purpose related to the residential use of the homestead.

### **HOW DO I GET A HOMESTEAD EXEMPTION?**

A: You must file an Application for Residential Homestead Exemption with the county appraisal district between January 1 and April 30 of the tax year – up to one year after you pay your taxes. During the year, if you turn 65 or become disabled, you must apply for the 65 or older or disabled exemption no later than one year from the qualification date. Once you receive an 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 qualifications end, you must inform the appraisal district in writing before the next May 1.

### **WHAT IS THE HOMESTEAD SCHOOL TAX CEILING?**

A: The homestead tax ceiling is a limit on the amount of school taxes you must pay on your residence. If you qualify your home for a 65 and Over or Disabled Person Homestead Exemption, the school taxes on that home can't increase as long as you own and occupy that home. The tax ceiling freezes your school taxes at the amount you pay in the year that you qualify for the 65 and Over or Disabled Person Homestead Exemption.

The school taxes on your home may go below the ceiling but not above the amount of the ceiling. If you improve the home (other than normal repairs or maintenance), the tax ceiling may go higher for the new additions. For example, if you add on a garage or game room to the house, the tax ceiling will be adjusted to a higher level for the value of the addition. If a 65 and older, disabled, or 55 and older surviving spouse homeowner moves to another home they can transfer the percentage of the tax ceiling to a different home in the same or another school district. The ceiling on the new home would be calculated to give the same percentage of tax paid as the ceiling on the original home.

There are several types of homestead exemptions you receive.

**School Taxes:** All residence homestead owners may receive a \$15,000 homestead exemption from their home's value for school taxes.

**County Taxes:** Travis County has granted an optional 20% homestead exemption for all homeowners (this is the maximum allowed by law). For those aged 65 or disabled, Travis County has granted an optional \$65,000 exemption.

### **MAY I CONTINUE TO RECEIVE THE RESIDENCE HOMESTEAD EXEMPTION ON MY HOME IF I TEMPORARILY MOVE AWAY?**

A: 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 or live in a facility providing services related to health, infirmity or aging from the two-year period.