TEXAS RESIDENTIAL HOMESTEAD TAX EXEMPTION

Filing a four-page application with your appraisal district could reduce $15,000 off the taxable value of your home? If you qualify for a residential homestead exemption, you will receive a reduction on the part of your home's value used for school taxes, which will lower your tax bill.

To qualify for the exemption, your home must meet the definition of "Residence Homestead." Residence homestead means that the owner must be an individual, not a business entity, and use the home as his/her principal residence on January 1 of the tax year (the January 1 deadline doesn't apply for disabled homeowners or homeowners who are 65 or older).

A new law that went into effect on September 1 requires applicants for all homestead exemptions to provide a copy of their Texas driver's license or state identification card and vehicle registration receipt when they submit the homestead application. The documents must show the same address as the property for which the exemption is requested. Applicants who don't have a vehicle can use a utility bill with the correct address in place of the registration receipt.

You can temporarily move away from your home and still use the exemption if you don't establish another principal residence and you plan to return. Renting part of your home or using part of it for a business does not disqualify the rest of your home for the exemption.

If you qualify for a homestead exemption, you'll receive a $15,000 reduction on the value of your property for school taxes. Counties that assess a special tax for farm-to-market roads or flood control may offer an additional $3,000 exemption from this tax. There are exemptions for some disabled U.S. veterans and surviving spouses and children of members of the armed forces killed while on active duty.

All taxing entities, like school districts, cities, counties or special districts, can offer an optional exemption for up to 20 percent of your property's value. This percentage exemption is on top of other homestead exemptions for which the homeowner qualifies. Taxing entities may also offer additional homestead exemptions to homeowners who are age 65 or older or disabled.

There is no fee for applying for a homestead exemption. You may receive an official-looking letter asking for a fee to take care of your homestead exemption application. This is a scam. These letters may begin appearing in mailboxes during the first few weeks of the year.

For more information about filing a homestead exemption, visit the Texas Comptroller of Public Accounts' Web site at www.window.state.tx.us, and go to the "Property Tax" heading in the "Texas Property Taxes" section.

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