

ATTENTION PROPERTY OWNERS

Property owners have certain rights that may reduce their property tax burden.

- **Property Tax Exemptions for Disabled Veterans** - Texas law provides partial exemptions for any property owned by veterans who are disabled, surviving spouses and surviving children of deceased disabled veterans. This includes homesteads donated to disabled veterans by charitable organizations at no cost to the disabled veterans and their surviving spouses. The exemption amount is determined according to percentage of service-connected disability. A disabled veteran who receives 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or individual un-employability from the U.S. Department of Veterans Affairs is entitled to an exemption from taxation of the appraised value of the veteran's residence homestead. Surviving spouses are also eligible upon the veteran's death with certain restrictions. The disabled veteran or surviving spouse can apply for this exemption by filing a residence homestead exemption application with the appraisal district. The surviving spouse of a member of the U.S. armed services who is killed in action is allowed a total (100 percent) property tax exemption on his or her residence homestead if the surviving spouse has not remarried since the death of the armed services member.
- **Property Tax Exemptions** – Non-profit organizations that meet statutory requirements may seek property tax exemptions and must apply to their county appraisal district by April 30th. Non-profit organizations must reapply if the property changes owners; if their qualifications for exemption change; or if they acquire new property. The April 30th deadline also applies to businesses that receive tax abatements granted by taxing units; ship inventory out of Texas that may be eligible for the freeport exemption; store certain goods in transit in warehouses that are moved within 175 days; construct, install or acquire pollution control property; own and operate energy storage systems; convert landfill-generated gas; or store offshore drilling equipment while not in use may also be eligible for statutory exemptions.
- **Rendering Taxable Property** - If a business owns tangible personal property that is used to produce income, the business must file a rendition with its local county appraisal district by April 15th. A rendition is a report that lists all the taxable property you owned or controlled on January 1 of this year. Personal property includes inventory and equipment used by a business. Owners do not have to render exempt property such as church property or an agriculture producer's equipment used for farming. A 10% to 50% penalty may be imposed if a rendition is filed late, incomplete or not at all.
- **Appraisal Notices** - Normally, taxpayers receive a notice of appraised value from the appropriate local county appraisal district. The city, county, school districts and other local taxing units will use the appraisal district's value to set property taxes for the coming year.
- **Property Taxpayer Remedies** - This Comptroller publication explains in detail how to protest a property appraisal, what issues the county appraisal review board (ARB) can consider and what to expect during a protest hearing. The publication also discusses the options of taking a taxpayer's case to district court, the State Office of Administrative Hearings or binding arbitration if the taxpayer is dissatisfied with the outcome of the ARB hearing.
- **Homestead Exemptions** - A homestead is generally defined as the home and land used as the owner's principal residence on January 1 of the tax year. A homestead exemption reduces the appraised value of the home and, as a result, lowers property taxes. Applications are submitted to the appropriate local county appraisal district.
- **Productivity Appraisal** – Texas farmers and ranchers can be granted property tax relief on their land. They may apply to their local county appraisal district for an agricultural appraisal which may result in a lower appraisal of the land based on how much the taxpayer produces, versus what the land would sell for on the open market. The Texas Constitution authorizes two types of agricultural productivity appraisals, 1-d-1 and 1-d, named after the section in which they were authorized. For 1-d-1 appraisal, property owners must use the land for agriculture and the lands use must meet the degree of intensity generally accepted in the area. Owners must also show that the land was used for this purpose at least five of the preceding seven years. 1-d-1 appraisal does not restrict ownership to individuals and does not require agriculture to be the owner's primary business. Most land owners apply for the 1-d-1 appraisal. Texas law also allows farmers and ranchers to use land for wildlife management and still receive the special appraisal, but the land must be qualified for agriculture use in the preceding year. Land under wildlife management must also meet acreage size requirements and special use qualifications. The deadline to apply is April 30th.
- **Residence Homestead Tax Deferral** - Texas homeowners may postpone paying the currently delinquent property taxes due on the appreciating value of their homes by filing a tax deferral affidavit at their local county appraisal district. This tax relief allows homeowners to pay the property taxes on 105 percent of the preceding year's appraised value of their homestead, plus the taxes on any new improvements to the homestead. The remaining taxes are postponed, but not cancelled, with interest accruing at 8% per year. Once the homeowner files the tax deferral affidavit with the appraisal district, no taxing unit can start or continue a lawsuit for the deferred taxes as long as that person owns and lives in the home. When the homeowner no longer owns and lives in the home, the deferred taxes and interest become due. If the taxes are not paid, taxing units can then sue to collect the deferred taxes and interest. Additional penalties are possible.
- **Property Tax Deferral for Persons Age 65 or Older or Disabled Homeowners** - Texans who are age 65 or older or disabled, as defined by law, may postpone paying current and delinquent property taxes on their homes by signing a tax deferral affidavit. Once the affidavit is on file, taxes are deferred, but not cancelled, as long as the owner continues to own and live in the home. An interest of 8% continues to accrue on unpaid taxes, annually. The law extends the tax deferral to the surviving spouse of the person who deferred taxes on the homestead if the surviving spouse was at least 55 years old when the deceased spouse died. A filed tax deferral affidavit keeps homeowners from losing their homesteads because of delinquent property taxes. A pending sale to foreclose on the homestead's tax lien will also cease as a result of filing a tax deferral affidavit. There are no penalties on delinquent taxes during the deferral period; however, a tax deferral does not cancel penalties that were already due. All deferred taxes and interest become due when the homeowner or surviving spouse no longer own and live in the home. If the tax debt remains unpaid at that time, penalties may be imposed and taxing units may take legal action to collect the past due amount. You may obtain a deferral affidavit at the appraisal district.
- **Notice of Availability of Electronic Communication** - In appraisal districts located in counties with a population of more than 200,000 or that have authorized electronic communications, and that have implemented a system that allows such communications, chief appraisers and ARBs may communicate electronically through email or other media with property owners or their designated representatives. Written agreements are required for notices and other documents to be delivered electronically instead of mailing.
- **Protesting Property Appraisal Values** - Property owners who disagree with the appraisal district's appraisal of their property for local taxes or for any other action that adversely affects them may protest their property value to the appraisal district's ARB.

This is a Public Service Announcement provided by Lee Central Appraisal District. For more information please contact the appraisal district at:

Lee Central Appraisal District
898 East Richmond Street Suite 100
Giddings, Texas 78942
979-542-9618
www.lee-cad.org

Information is also available on the state Comptroller's Property Tax Assistance Division's website at:
www.comptroller.texas.gov/taxes/property-tax/