

Tax Exemptions

Homestead
Exemptions

An individual who is disabled or is 65 or older is entitled to an exemption from taxation by a taxing unit of a portion, the amount of which is fixed as provided by Tax Code 11.13(e), of the appraised value of the individual's residence homestead if the exemption is adopted either:

1. By the governing body of the taxing unit; or
2. By a favorable vote of a majority of the qualified voters of the taxing unit at an election called by the governing body of a taxing unit, and the governing body shall call the election on the petition of at least 20 percent of the number of qualified voters who voted in the preceding election of the taxing unit.

The amount of an exemption adopted is \$3,000 of the appraised value of the residence homestead unless a larger amount is specified by the governing body authorizing the exemption as described at item 1 or the petition for the election if the exemption is authorized as described at item 2.

Once authorized, an exemption adopted as provided in this section may be repealed or decreased or increased in amount by the governing body of the taxing unit or by the procedure authorized by item 2 above. In the case of a decrease, the amount of the exemption may not be reduced to less than \$3,000 of the market value.

Tax Code 11.13(d)–(f)

*Application for
Exemption*

To receive the residence homestead exemption, a person claiming the exemption must apply for the exemption. *Tax Code 11.43(a)*

*Homesteads
Rendered
Uninhabitable or
Unusable*

If a qualified residential structure for which the owner receives a homestead exemption under Tax Code 11.13 is rendered uninhabitable or unusable by a casualty or by wind or water damage, the owner may continue to receive the exemption for the structure and the land and improvements used in the residential occupancy of the structure while the owner constructs a replacement qualified residential structure on the land in accordance with Tax Code 11.135 and 11.26(n)–(o) and 34 Administrative Code 9.416. *Tax Code 11.135, .26(n)–(o); 34 TAC 9.416*

*Disabled
Veterans and
Their Families*

Portion of
Assessed Value

Pursuant to Tax Code 11.22, a disabled veteran and, if that person dies, the person's unmarried surviving spouse or unmarried children, is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns and designates in accordance with Tax Code 11.22(f). *Tax Code 11.22*

*Owned
Residence*

*Donated
Residence*

A disabled veteran who has a disability rating of less than 100 percent is entitled to an exemption from taxation of a percentage of the appraised value of the disabled veteran's residence homestead equal to the disabled veteran's disability rating if the residence homestead was donated to the disabled veteran by a charitable organization:

1. At no cost to the disabled veteran; or
2. At some cost to the disabled veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

The surviving spouse of a disabled veteran who qualified for the exemption of a percentage of the appraised value of the disabled veteran's residence homestead when the disabled veteran died is entitled to an exemption in accordance with Tax Code 11.132.

Tax Code 11.132(b)–(c)

Total Appraised
Value

A disabled veteran who receives from the U.S. Department of Veterans' Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead.

The surviving spouse of a disabled veteran who qualified for an exemption under Tax Code 11.131(b) when the disabled veteran died, or of a disabled veteran who would have qualified for an exemption under Section 11.131(b) if Section 11.131(b) had been in effect on the date the disabled veteran died, is entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied, or to which the disabled veteran's exemption would have applied if the exemption had been authorized on the date the disabled veteran died, if the surviving spouse has not remarried since the death of the disabled veteran; and the property:

1. Was the residence homestead of the surviving spouse when the disabled veteran died; and
2. Remains the residence homestead of the surviving spouse.

If a surviving spouse who qualifies for an exemption under Tax Code 11.131(c) subsequently qualifies a different property as the surviving spouse's residence homestead, the surviving spouse is

entitled to an exemption from taxation of the subsequently qualified homestead in accordance with Tax Code 11.131(d).

Tax Code 11.131(b)–(d)

*Surviving Spouse
of Armed
Services Member
Killed in Action*

The surviving spouse of a member of the armed services of the United States who is killed in action is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead in accordance with Tax Code 11.133. *Tax Code 11.133*

*Surviving Spouse
of First
Responder Killed
in Line of Duty*

The surviving spouse of a first responder listed in Government Code 615.003 who is killed or fatally injured in the line of duty is entitled to an exemption from taxation of the total appraised value of the surviving spouse's residence homestead in accordance with Tax Code 11.134. *Tax Code 11.134*

Exemption for
Property Damaged
by a Disaster

A person is entitled to an exemption from taxation by a taxing unit of a portion of the appraised value of qualified property that the person owns in an amount determined under Tax Code 11.35(h). *Tax Code 11.35(b)*

Exception

If the governor first declares territory in a taxing unit to be a disaster area as a result of a disaster on or after the date a taxing unit adopts a tax rate for the tax year in which the declaration is issued, a person is not entitled to the exemption for that tax year unless the governing body of the taxing unit adopts the exemption in the manner provided by law for official action by the body.

An exemption adopted by the governing body of a taxing unit must specify the disaster to which the exemption pertains and be adopted not later than the 60th day after the date the governor first declares territory in the taxing unit to be a disaster area as a result of the disaster.

A taxing unit the governing body of which adopts an exemption shall, not later than the seventh day after the date the governing body adopts the exemption, notify the chief appraiser of each appraisal district in which the taxing unit participates, the assessor for the taxing unit, and the comptroller of the adoption of the exemption.

Tax Code 11.35(c)–(e)

*Application for
Exemption*

A person who qualifies for an exemption under this section must apply for the exemption in accordance with Tax Code 11.43(s). *Tax Code 11.43(s)*

*Expiration of
Exemption*

The exemption authorized by this section expires as to an item of qualified property on January 1 of the first tax year in which the property is reappraised under Tax Code 25.18. *Tax Code 11.35(k)*

*Qualified
Property*

"Qualified property" means property that:

1. Consists of tangible personal property used for the production of income; an improvement to real property; or a manufactured home as that term is defined by Occupations Code 1201.003 that is used as a dwelling, regardless of whether the owner of the manufactured home elects to treat the manufactured home as real property under Occupations Code 1201.2055;
2. Is located in an area declared by the governor to be a disaster area following a disaster;
3. Is at least 15 percent damaged by the disaster, as determined by the chief appraiser under Tax Code 11.35; and
4. For property described by item 1, is the subject of a rendition statement or property report filed by the property owner under Tax Code 22.01 that demonstrates that the property had taxable situs in the disaster area for the tax year in which the disaster occurred.

Tax Code 11.35(a)

Goods-in-Transit

A person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit. *Tax Code 11.253(b)*

In accordance with Tax Code 11.253, the governing body of a taxing unit, in a manner required for official action by the governing body, may provide for the taxation of goods-in-transit exempt as set out above and not exempt under other law. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body must conduct a public hearing as required by Texas Constitution Article VIII, Section 1-n(d). The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit, or otherwise determines that the exemption prescribed above will apply to that taxing unit. *Tax Code 11.253(j)*

Notwithstanding the Section 11.253(j) or official action that was taken before October 1, 2011, to tax goods-in-transit under the above exemption, a taxing unit may not tax such goods-in-transit in

	<p>a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes official action on or after October 1, 2011, in the manner required for official action by the board, to provide for the taxation of the goods-in-transit. <i>Tax Code 11.253(j-1)</i></p>
Exception	<p>If the governing body of the taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, the tax officials of a taxing unit may continue to impose the taxes against the goods-in-transit until the debt is discharged, if cessation of the imposition would impair the obligation of the contract by which the debt was created. <i>Tax Code 11.253(j-2)</i></p>
Additional Exemptions	<p>A taxing unit is required or permitted, as applicable, to grant additional tax exemptions as provided by law. <i>Tex. Const. Art. VIII, Sec. 1-b; Tax Code Chapter 11, Subchapter B</i></p>
Notice of Optional Exemption	<p>If a taxing unit adopts, amends, or repeals an exemption that the unit by law has the option to adopt or not, the taxing unit shall notify the appraisal office of its action and of the terms of the exemption within 30 days after the date of its action. <i>Tax Code 6.08</i></p>
Tax Payments	
Discounts	<p>The governing body of a taxing unit may adopt one of the discounts described below, or both, in the manner required by law for official action by the body. <i>Tax Code 31.05(a)</i></p>
<i>Option 1</i>	<p>A taxing unit may adopt the following discounts to apply regardless of the date of which it mails its tax bills:</p> <ol style="list-style-type: none">1. Three percent if the tax is paid in October or earlier;2. Two percent if the tax is paid in November; and3. One percent if the tax is paid in December. <p>This discount does not apply to taxes that are calculated too late for it to be available.</p> <p><i>Tax Code 31.04(c), .05(b)</i></p>
<i>Option 2</i>	<p>A taxing unit may adopt the following discounts to apply when it mails its tax bills after September 30:</p> <ol style="list-style-type: none">1. Three percent if the tax is paid before or during the next full calendar month following the date on which the tax bills were mailed;2. Two percent if the tax is paid during the second full calendar month following the date on which the tax bills were mailed; and

3. One percent if the tax is paid during the third full calendar month following the date on which the tax bills were mailed.

Tax Code 31.05(c)

Both Options

If a taxing unit adopts both discounts, the discounts described at Option 1 apply unless the tax bills for the unit are mailed after September 30, in which case only the discounts described at Option 2 apply. *Tax Code 31.05(a)*

Rescission

The governing body of a taxing unit may rescind a discount adopted by the governing body in the manner required by law for official action by the body. The rescission of a discount takes effect in the tax year following the year in which the discount is rescinded. *Tax Code 31.05(d)*

Split Payment

The governing body of a taxing unit that collects its own taxes may provide, in a manner required by law for official action by the body, that a person who pays one-half of the unit's taxes before December 1 may pay the remaining one-half of the taxes without penalty or interest before July 1 of the following year. The split-payment option, if adopted, applies to taxes for all units for which the adopting taxing unit collects taxes.

If one or more taxing units contract with the appraisal district for collection of taxes, the split-payment option does not apply to taxes collected by the district unless approved by resolution adopted by a majority of the governing bodies of the taxing units whose taxes the district collects and filed with the secretary of the appraisal district board of directors. After an appraisal district provides for the split-payment option, the option applies to all taxes collected by the district until revoked. It may be revoked in the same manner as provided for adoption.

This payment option does not apply to taxes that are calculated too late for it to be available.

Tax Code 31.03, .04(c)

*In Certain
Counties*

The governing body of a taxing unit located in a county having a population of not less than 285,000 and not more than 300,000 that borders a county having a population of 3.3 million or more and the Gulf of Mexico that has its taxes collected by another taxing unit that has adopted the split-payment option may provide that the split-payment option does not apply to the taxing unit's taxes collected by the other taxing unit. *Tax Code 31.03(d)*

AD VALOREM TAXES
EXEMPTIONS AND PAYMENTS

CAIA
(LEGAL)

Installment
Payments
*Certain
Homesteads*

This section applies only to an individual who is disabled or at least 65 years of age and qualified for an exemption under Tax Code 11.13(c) or an individual who is a disabled veteran or the unmarried surviving spouse of a disabled veteran and qualified for an exemption under 11.132 or 11.22. Subject to Tax Code 31.031, an individual to whom this section applies may pay a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead in four equal installments without penalty or interest if the first installment is before the delinquency date and is accompanied by notice that the individual will pay the remaining taxes in three equal installments. If the delinquency date is February 1, the second installment must be paid before April 1, the third installment must be paid before June 1, and the fourth installment must be paid before August 1. If the delinquency date is a date other than February 1, the second installment must be paid before the first day of the second month after the delinquency date, the third installment must be paid before the first day of the fourth month after the delinquency date, and the fourth installment must be paid before the first day of the sixth month after the delinquency date.

Notwithstanding the deadline prescribed above for payment of the first installment, an individual to whom this section applies may pay the taxes in four equal installments as provided above if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.

Tax Code 31.031(a)-(a-2)

Partial Payments

A tax collector may adopt a policy of accepting partial payments of property taxes. Acceptance of a partial payment does not affect the date that the tax becomes delinquent, but the penalties and interest provided by Tax Code 33.01 are incurred only by the portion of tax that remains unpaid on the date the tax becomes delinquent. A payment option provided by Tax Code 31.03 or a discount adopted under Tax Code 31.05 does not apply to any portion of a partial payment. *Tax Code 31.07(c)*

Disaster Area

This section applies to:

1. Real property that:
 - a. Is the residence homestead of the owner or consists of property that is used for residential purposes and that has fewer than five living units or is owned or leased by a business entity that had not more than the amount calculated as provided by Tax Code 31.032(h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable

federal income tax return or state franchise tax report of the entity;

- b. Is located in a disaster area; and
 - c. Has been damaged as a direct result of the disaster;
2. Tangible personal property that is owned or leased by a business entity described above at item 1(a); and
 3. Taxes that are imposed on the property by a taxing unit before the first anniversary of the disaster.

A person may pay a taxing unit's taxes imposed on property that the person owns in four equal installments without penalty or interest if the first installment is paid before the delinquency date and is accompanied by notice to the taxing unit that the person will pay the remaining taxes in three equal installments in accordance with Tax Code 31.032.

Notwithstanding the deadline prescribed above for payment of the first installment, a person to whom this section applies may pay the taxes in four equal installments as provided above if the first installment is paid and the required notice is provided before the first day of the first month after the delinquency date.

Tax Code 31.032(a)-(b-1)

Performing Services
in Lieu of Paying
Taxes

In accordance with Tax Code 31.035, the governing body of a taxing unit may permit an individual who is at least 65 years of age to perform service to the taxing unit in lieu of paying property taxes imposed by the taxing unit on property owned by the individual and occupied as the individual's residence homestead. While performing service for the taxing unit, the property owner is not an employee of the taxing unit and is not entitled to any benefit, including workers' compensation coverage, that the taxing unit provides to an employee of the taxing unit. *Tax Code 31.035(a), (f)*

Delinquency Date

Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed, except as provided below:

1. The taxing unit has provided for split payments, as described above. *Tax Code 31.03*
2. The taxing unit's tax bills are mailed after January 10. *Tax Code 31.04(a)*
3. The taxing unit's tax bills are mailed after September 30 and the taxing unit has adopted discounts provided by Tax Code 31.05(c). *Tax Code 31.04(d)*

4. A person who owns any interest in the property is an eligible person serving on active duty in any branch of the U.S. armed forces as provided by Tax Code 31.02(b).

Tax Code 31.02

Delinquent Tax
Collection

The governing body of a taxing unit may contract with any competent attorney to represent the unit to enforce the collection of delinquent taxes. The attorney's compensation is set in the contract, but the total amount of compensation provided may not exceed 20 percent of the amount of delinquent tax, penalty, and interest collected. *Tax Code 6.30(c)*

Penalties and
Interest

Delinquent taxes incur penalties and accrue interest in accordance with Tax Code 33.01, subject to any waiver by the board pursuant to Tax Code 33.011.

Additional Penalties

A taxing unit or appraisal district may provide, in the manner required by law for official action by the body, that taxes that become delinquent on or after February 1 but not later than May 1 of that year and remain delinquent on July 1 of the year in which they become delinquent incur an additional penalty to defray costs of collection, if the unit or district or another unit that collects taxes for the unit has contracted with a private attorney for the collection of delinquent taxes pursuant to Tax Code 6.30. The amount of the penalty may not exceed the amount of the compensation specified in the contract with the attorney to be paid in connection with the collection of the delinquent taxes. A tax lien attaches to the property on which the tax is imposed to secure payment of the penalty. If a taxing unit or appraisal district provides for a penalty under this section, the collector shall deliver notice of the delinquency and of the penalty to the property owner at least 30 and not more than 60 days before July 1.

If the governing body of the taxing unit or appraisal district has imposed the penalty for collection costs described above and the taxing unit or appraisal district, or another taxing unit that collects taxes for the unit, has entered into a contract with an attorney under Tax Code 6.30 for collection of delinquent taxes, the governing body of the taxing unit or appraisal district, in a manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Tax Code 26.07(f), 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of compensation specified in the contract with the attorney to be paid in connection with the collection of the delinquent taxes. A tax lien attaches to the property on which the tax is imposed to secure payment of the additional penalty. After the taxes

become delinquent, the collector for a taxing unit or appraisal district that has provided for the additional penalty shall send a notice of the delinquency and the penalty to the property owner. The penalty is incurred on the first day of the first month that begins at least 21 days after the date the notice is sent.

Tax Code 33.07-.08