



10% Homestead Value Cap

Texas Property Tax Code Sec 23.23 limits increases of the total assessed value to 10% from year to year if the property is under homestead exemption. This 10% increase excludes any improvements added by the property owner. This section does not limit market value increases. Market value is what a property would sell for and can change from year to year based on sales data. The assessed value is used to calculate taxes. Therefore, in some instances you will see 2 different values on the same property: the market value and the assessed value. The difference in those two values is the Homestead Cap Loss amount.

Please note that this limitation takes effect on January 1 of the tax year following the first year the owner qualifies the property for a homestead exemption. The assessed value may increase at a rate of up to ten percent per year until it matches the district's appraised market value.