

2017-2018 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Financial Services – Budget Office

REQUEST NO.: 26

REQUESTED BY: Tovo

DATE REQUESTED: 5/1/17

DATE POSTED: 5/26/17

REQUEST: Does the City of Austin have the ability to lower the General Homestead Exemption after it has been set?

RESPONSE: In short, yes, the City of Austin has the ability to lower the General Homestead Exemption after it has been set. Per Texas Tax Code 11.13(n):

(n) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before July 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed 20 percent.

(n-1) The governing body of a school district, municipality, or county that adopted an exemption under Subsection (n) for the 2014 tax year may not reduce the amount of or repeal the exemption. This subsection expires December 31, 2019.

Follow the below links to access the approved Council agenda items to related to adopting and increasing the General Homestead Exemption.

- Item No. 10 on the June 4, 2015 Council Agenda:
<https://www.austintexas.gov/department/city-council/2015/20150604-reg.htm#010>
- Item No. 1 on the June 29, 2016 Council Agenda:
<https://www.austintexas.gov/department/city-council/2016/20160629-spec.htm>