



Over 65 & Disabled Persons Property Tax Exemptions



Presentation to City Council
by the Financial Services Department
March 20, 2014



Background & Context

- ❑ Instituted in 1974 at \$3,000; last updated in 1986, increased to \$51,000
- ❑ 31,686 properties receiving Over 65 exemption; 2,395 receiving Disabled Persons exemption; total taxable value of \$7 billion, or about 7.9% of total tax roll
- ❑ Seniors own homes at a significantly higher rate: 75% of seniors live in an owner-occupied household vs. only 45% for the city as a whole
- ❑ Seniors are increasing as a share of our populations: currently 7.7%, projected to reach 16% by 2040



Cost Projections

Increase Exemption To:	FY15 Lost Revenue	O65/DP Savings	Cost to Median-Value Homeowner
\$52,000	\$170,619	\$5.03	\$0.36
\$53,000	\$341,234	\$10.05	\$0.71
\$54,000	\$511,840	\$15.08	\$1.07
\$55,000	\$682,391	\$20.11	\$1.43
\$56,000	\$852,857	\$25.14	\$1.79
\$57,000	\$1,023,241	\$30.16	\$2.15
\$58,000	\$1,193,498	\$35.19	\$2.50
\$59,000	\$1,363,618	\$40.22	\$2.86
\$60,000	\$1,533,602	\$45.24	\$3.22
\$70,000	\$3,223,101	\$95.51	\$6.79
\$80,000	\$4,889,001	\$145.78	\$10.34
\$90,000	\$6,527,033	\$196.05	\$13.85
\$100,000	\$8,132,853	\$246.32	\$17.32



Other Area Taxing Jurisdictions' Exemption Policies

	Senior/ Disabled Exemption	Recent Action
City of Austin	\$51,000	
Travis County	\$70,000	Increased by \$5,000 in 2012
AISD O65: Combined \$35,000 (\$10,000 state mandated + \$25,000 local option) -or- Disabled Persons: Combined \$35,000 (\$10,000 state-mandated + \$15,000 local option) + State-mandated tax freeze		
ACC	\$115,000	Increased by \$10,000 each year from 2007 - 2010
Healthcare District	\$70,000	Increased by \$5,000 in 2012