



M E M O R A N D U M

TO: Mayor & Council Members

FROM: Ed Van Eenoo, Deputy Chief Financial Officer *EV*

DATE: March 2, 2015

SUBJECT: Senior and Disabled Persons Exemption Annual Update per Council Resolution No. 20140410-031

Council Resolution 20140410-031 mandated that the City Manager report annually to the City Council regarding several pieces of data associated with the property tax exemption for seniors and disabled persons, which is currently set at \$70,000, and to do so "45 days prior to the date for appraisal districts to send notices to residence homestead properties." According to the latest update my office has received from the Travis Central Appraisal District (TCAD), these notices will be distributed on April 17, 2015. This memo serves to present Council with the information mandated by the resolution.

- I. "The tax bill increase from the prior fiscal year to the current fiscal year for the median taxable valued home as reported by Travis County Appraisal District.:

The tax bill increase from the prior fiscal year to the current fiscal year on the median taxable valued home was \$41.98, as detailed by the table below.

	Median Taxable Valued Home	Tax Rate, per \$100 of Taxable Value	Tax Bill
Fiscal year 2013-14	\$ 185,133	\$ 0.5027	\$ 930.66
Fiscal year 2014-15	\$ 202,254	\$ 0.4809	\$ 972.64
Increase			\$ 41.98

- II. “The amount of increase in the property tax exemptions for senior and people with disabilities for the next fiscal year that would offset the tax bill increase as calculated above.”

An increase in the exemption of \$8,729 would offset a property tax bill increase of \$41.98.

- III. “For every one thousand dollar increase in the property tax exemption for seniors and people with disabilities:

- Savings on the tax bill for a person with the tax exemption for seniors and people with disabilities;
- Impact on the general fund for the next fiscal year and the cumulative impact for the next 5 fiscal years; and
- The projected tax rate increase necessary to offset the general fund revenue loss and the impact on the tax bill of an owner of a median-valued home.”

The attached table presents each of these pieces of information. Please note that all components of the analysis assume the nominal property tax rate of 48.09 cents per \$100 of assessed value.

cc: Marc Ott, City Manager
Assistant City Managers
Chief of Staff
Chief Financial Officer

Cost and Tax Impact Analysis of Prospective Increases in the Senior and Disabled Persons Property Tax Exemption

Increase Exemption		Total Property Tax Bill		Incremental Property Tax Bill	FY16 General Fund	Cumulative 5-Year	Incremental Rate Needed	Projected Impact on
By:	Total Exemption	Savings	Savings	Impact	General Fund Impact	to Offset FY16 General Fund Impact	Owner of Median-Value Home in FY16	
\$ 1,000	\$ 71,000	\$ 341.44	\$ 4.81	\$ (173,073)	\$ (944,863)	\$ 0.0002	\$ 0.34	
\$ 2,000	\$ 72,000	\$ 346.25	\$ 9.62	\$ (346,037)	\$ (1,889,538)	\$ 0.0003	\$ 0.69	
\$ 3,000	\$ 73,000	\$ 351.06	\$ 14.43	\$ (518,873)	\$ (2,833,914)	\$ 0.0005	\$ 1.03	
\$ 4,000	\$ 74,000	\$ 355.87	\$ 19.24	\$ (691,556)	\$ (3,777,975)	\$ 0.0007	\$ 1.38	
\$ 5,000	\$ 75,000	\$ 360.68	\$ 24.05	\$ (864,051)	\$ (4,721,608)	\$ 0.0008	\$ 1.72	
\$ 6,000	\$ 76,000	\$ 365.48	\$ 28.85	\$ (1,036,300)	\$ (5,664,786)	\$ 0.0010	\$ 2.07	
\$ 7,000	\$ 77,000	\$ 370.29	\$ 33.66	\$ (1,208,318)	\$ (6,607,505)	\$ 0.0011	\$ 2.41	
\$ 8,000	\$ 78,000	\$ 375.10	\$ 38.47	\$ (1,380,104)	\$ (7,549,718)	\$ 0.0013	\$ 2.75	
\$ 9,000	\$ 79,000	\$ 379.91	\$ 43.28	\$ (1,551,630)	\$ (8,491,303)	\$ 0.0015	\$ 3.09	
\$ 10,000	\$ 80,000	\$ 384.72	\$ 48.09	\$ (1,722,909)	\$ (9,432,337)	\$ 0.0016	\$ 3.43	
\$ 20,000	\$ 90,000	\$ 432.81	\$ 96.18	\$ (3,422,137)	\$ (18,799,397)	\$ 0.0032	\$ 6.82	
\$ 30,000	\$ 100,000	\$ 480.90	\$ 144.27	\$ (5,095,591)	\$ (28,071,987)	\$ 0.0048	\$ 10.16	