

PROPOSED 65+ AND DISABLED ADDITIONAL HOMESTEAD EXEMPTION FOR THE CITY OF WOODCREEK

This exemption, if adopted, would be a credit or discount on the total taxable county appraised value of the home. It works just like the regular homestead exemption.

The State of Texas allows cities to add an additional homestead exemption for individuals who are disabled or 65+ (Tx Loc. Gov. Code 11.13(d)) which ONLY applies to the portion of your annual property taxes levied by the City. This exemption, if adopted, is combined with other exemptions to reduce the taxable value of your home.

*The State of Texas sets a **minimum of \$3,000** city tax exemption and a maximum of 20% of a home’s valuation. For Woodcreek, using the estimated lowest priced home being \$150,000. the **maximum would be \$30,000** off the taxable home valuation for city taxes allowed by law.*

ANNUAL SAVING FOR THE INDIVIDUAL HOMEOWNER

PROPOSED EXEMPTIONS (reduction in taxable home value)	Value of average home: \$425,000 minus the reduction in value provided by exemption	CURRENT CITY OF WOODCREEK TAX RATE (per \$100 of valuation) = .2071 TAXES OWED WITH EXEMPTION AT CURRENT TAX RATES	WITHOUT EXEMPTION, Avg. Home value of \$425,000 /100 x .2071 = \$880.18 in Taxes owned to the City of Woodcreek CHART BELOW SHOWS THE ANNUAL SAVINGS PROVIDED BY EXEMPTION
3000	422,000	873.96	-6.22
5000	420,000	869.82	-10.36
10,000	415,000	859.47	-20.71
15,000	410,000	849.11	-31.07
20,000	405,000	838.76	-41.42
30,000	395,000	818.05	-62.13

IMPACT ON THE CITY

If Woodcreek has about 800 homes (non-apartments) and 40% of our residents are 65+ then we can estimate 320 homes would see these reductions in appraised value for city taxation. These reductions are a static amount. So, while home values vary and the impact for the individual tax owner is based on the value of the home after the reduction, the math is a little different for the city.

PROPOSED EXEMPTION (reduction in taxable home value)	# of Homes claiming the exemption estimated at 320 x the exemption amount = The total home value amount reduced for the City to tax	The overall reduction in home values in the city divided by 100 (for per \$100 of valuation) and multiplied by the current tax rate .2071 = THE TOTAL IMPACT IN REDUCTION OF AD VALOREM VALUE
3000	960,000	1,988.16
5000	1,600,000	3,313.60
10,000	3,200,000	6,627.20
15,000	4,800,000	9,940.80
20,000	6,400,000*	13,254.40
30,000	9,600,000	19,881.60

***This is a 2.67% reduction in value of the estimated 2022 city value of \$309,582,377 taxable ad valorem.**

\$13,254.40 represents 1.55% of the overall general expenditures projected for 2021-2022 budget.

This document is for informational purposes only and it is not legally binding on the City of Woodcreek.

Numbers shown are estimates based on the current tax rate and approximate number of homes owned by residents 65+ which could receive a homestead exemption. Actual totals would be assessed and applied by the County.

TO RECEIVE THE EXEMPTION (IF ADOPTED) ONE MUST APPLY.

Document produced by Councilmember Hines and Councilmember Grummert