

Appraised Value (“Homestead Cap Value”)

Per the Texas Property Tax Code, an exemption for taxation is available to an individual’s primary residence. One of the features of the exemption is a limit to the amount that the value for taxation can increase from one year to the next. This limit is frequently referred to as the “homestead cap”. The “capped” value is shown as the “Appraised Value” and is located at the bottom of the list of values on your notice or online. The Appraised value IS limited by the Homestead Exemption and may not go up more than 10% in one year in most cases as long as the exemption was in place for the prior year for the current owner. This number is calculated using the previous year’s Appraised Value and a “cap” of 10%.

Property Valuation	Last Year		Proposed This Year	
LAND MARKET		52,180		46,350
STRUCTURE MARKET		112,190		115,440
TOTAL MARKET		164,370		161,790
HS VALUE ADJUSTMENT		-25,780		-9,341
TOTAL APPRAISED		138,590		152,449
EXEMPTION(S)	HOMESTEAD, OVER 65, DISABLED VETERAN		HOMESTEAD, OVER 65, DISABLED VETERAN	

Taxing Entities	Last Year's Exemptions	Last Year's Taxable Value	This Year's Exemptions	This Year's Taxable Value	Last Year's Rate Per \$100	Ceiling Information
CR - TOM GREEN COUNTY	64,718	73,872	67,490	84,959	0.4729000	
CT - CITY OF SAN ANGELO	39,718	98,872	42,490	109,959	0.7042000	1998
SA - SAN ANGELO ISD	122,000	16,590	122,000	30,449	0.8123100	1998

The HOMESTEAD VALUE ADJUSTMENT represents the loss in taxable value due to the Homestead Limitation (CAP). It is not the amount of the Homestead Exemption. The Homestead Exemption amount is below that where you see Last Year’s Exemptions and This Year’s Exemption.

Homestead Limitation (aka Residence Homestead “Cap”)

A homestead limitation is a limitation or cap on the amount of value a property will be taxed from year to year. The appraisal district identifies the homestead limitation amount as the “appraised value”. The limitation slows the annual increase of a property tax bill by reducing the amount of value subject to taxation. For residence homesteads, the annual increase is limited to 10% more than the previous year’s appraised value (plus any new improvements). For example:

In 2023, a property with a residence homestead has a market value and appraised value of \$100,000. Over the next year, prices in the area soar and the appraisal district values the property at \$140,000 for tax year 2024. Since the property had a homestead on January 1, 2023, the appraised value can only increase by 10% plus any new construction. The market value for 2024 would be \$140,000, but the appraised value (with homestead limitation) would be \$110,000. Giving this property a HS Value adjustment of \$30,000.

$$\text{Last Year Value} + 10\% = \text{Current Appraised Value} \cdot \$100,000 \times 1.1 = \$110,000$$

If the property owner added new construction in 2021, let’s say a \$20,000 pool, the appraised value would be \$130,000.
Last Year Value + 10% + New Imp Value = Current Appraised Value (\$100,000 x 1.1) + \$20,000 = \$130,000

The limitation does not go into effect until the January 1 of the following year the property qualifies for the exemption.

Example 1: A property owner purchases their property in December of 2021, and they qualify for their homestead exemption on January 1, 2022. The homestead limitation will not go into effect until January 1, 2023.

Example 2: A property owner purchases their property in April of 2022, and they qualify for a prorated exemption on April 5, 2022. The homestead limitation will not go into effect until January 1 of 2024, one year after the January 1 date the exemption qualified.