

OVER 65 OR DISABILITY HOMESTEAD TAX CEILING

NAVARRO CENTRAL APPRAISAL DISTRICT (NCAD)

How does the Age 65 or Older or Disabled Person's Homestead tax ceiling work?

Texas homeowners who reach Age 65 or are Disabled per the Social Security Administration and have a Homestead Exemption are granted an additional \$10,000 exemption on school district taxes. The year in which the homeowner turns 65 or the year a Disabled Person becomes eligible for this tax exemption is called the "freeze" year and a maximum tax limitation (a **ceiling**) is placed on school district taxes. For Navarro Central Appraisal District, the "freeze" applies to the following taxing entities:

- School district in which property is located
- Navarro County
- Navarro Flood Control
- Navarro Road and Bridge

Generally, after you apply for and receive the exemption, the taxes assessed by the entities above are frozen at the amount calculated for the *first full year of qualification*. This means your taxes for these entities won't increase even if your property value increases as long as you own and live in that home. Taxes may be lower than the ceiling, but never higher. The only exception would be if you significantly improved your house, for example, by adding a new room, or second story. Normal repairs and maintenance such as a new roof or new paint do not count. If significant improvements are made, a new tax ceiling including the improved value will be calculated.

What happens if I move? Apply for the exemptions at the new home. If the home is in another appraisal district, a tax ceiling certificate will be generated for you by the NCAD. This certificate transfers the **percentage** of school taxes paid on your former home (not the "upper dollar limit"). Only the school district tax ceiling percentage transfers outside of the Navarro Central Appraisal District. Moving within NCAD, tax ceiling certificates for all taxing entities will be generated and the **percentages** of taxes paid will be transferred to the new residence and applied to the new residence value.

ELIGIBILITY FOR HOMESTEAD EXEMPTION

- *Owned property on January 1
- *Claim property as principal residence on January 1
- *You or your spouse do not claim a homestead exemption on other property
- *Valid TX driver's license or Texas ID with the property address

ELIGIBILITY FOR AGE 65 OR OLDER EXEMPTION

- *You may qualify for this exemption the year in which you become 65, even if not yet eligible for the Homestead Exemption due to the Jan 1 rule
- *Note: In order to be eligible for the tax ceiling calculation, property must be on a Homestead Exemption per the eligibility rules above.

ELIGIBILITY FOR DISABLED PERSON EXEMPTION

- *You may qualify for this exemption if you receive payment of *disability* insurance benefits from the Social Security Administration.
- *NCAD will need a copy of your Disability Benefits Award letter

Note: You must choose either the Over 65 Exemption or Disabled Person Exemption per Texas Tax Code 11.13 (c) (d)

Questions? Call us at 903-872-6161 or visit our website at www.navarrocad.com