

## **Texas Tax System - Frequently Asked Questions**

### **What is the Carson County Appraisal District's role in the tax system?**

There are three main parts to the property tax system in Texas:

1. An Appraisal District in each county sets the value of property each year.
2. An Appraisal Review Board settles disagreements between property owners and the appraisal district about property values and exemptions; they also make determinations on challenges initiated by taxing units.
3. Local taxing units, which include the county, city, school district, and other special districts, set the tax rates based on their annual budgets. This, in turn, determines the total amount of taxes that property owners must pay

### **Who are the Board of Director's?**

The Board of Directors is comprised of five members and one "ex officio" member who govern the operation of the appraisal district by setting policies, adopting a budget, approving contracts, etc. The County Tax Assessor/Collector, by law, serves as the ex officio member of the Board. The remaining five members must meet eligibility requirements. To be eligible to serve on the Board of Directors, the individuals must be a resident of the district and resided in the district for at least two years immediately preceding the date the individuals take office. Board members serve staggered two-year terms beginning on January 1.

### **Who sets the tax rates?**

The governing body (city council, school board, county commissioners) of each taxing entity sets the rates for their jurisdiction. The taxing units decide what services they will provide in the coming year and how much money they will need to provide those services. Each taxing unit adopts a tax rate that will generate the needed tax dollars.

### **To whom do I pay my property taxes?**

Each entity which levies a tax selects an agency to collect the taxes for them. Some entities collect their own taxes while others select another agency.

## **Ownership/Exemptions-Frequently Asked Questions**

### **How can I change my mailing address? Can you change my mailing address by phone?**

Yes, but we prefer that you send us something in writing indicating the correct address for your property and daytime phone number where you can be reached, in case we have questions.

### **What do I do if the ownership does not reflect the current ownership of a property?**

After 90 days from the date of closing on a property, if the appraisal record does not reflect the current ownership, please contact the Carson County Appraisal District at 806-537-3569.

### **What exemptions are available?**

General Residential Homestead, Over-65, Over-55 Surviving Spouse, Disability Homestead, Disabled Veteran, Cemeteries, Charitable, Religious, Private Schools, Youth Spiritual, Mental and Physical Development Associations, Miscellaneous Associations and some Low Income Housing, Historical Sites, Agricultural Appraisal, Freeport, and Pollution Control exemptions are available.

**How do I apply for exemptions?**

Exemption applications are available through the CCAD Customer Service office and can be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 102 S Main, Panhandle, Texas 79068. You may also have an application mailed to you by calling our office at (806)537-3569. Several exemption applications can be printed from the "Forms" page on our website at [www.carsoncad.org](http://www.carsoncad.org).

**Must I notify the Appraisal District if my entitlement to an exemption ends?**

Yes, a person who receives an exemption that is not required to be claimed annually must notify the Appraisal District in writing before May 1 after the entitlement to the exemption ends.

**Is it true that once I become 65 years of age, I will not have to pay any more taxes?**

No, that is not necessarily true. The amount of the exemptions that are granted by each taxing entity is subtracted from the market value of your residence and the taxes are calculated on that "lower value." In addition, when you turn 65, you may receive a "tax ceiling" for your total school taxes; that is, the school taxes on your residence cannot increase as long as you own and live in that home. If you significantly improve your home (other than ordinary repairs and maintenance), tax ceilings can go up. For example, if you add a swimming pool, a garage, a storage building, and a room to your home, or significantly remodel your home, your tax ceiling can rise. It will also change if you move to a new home. The tax ceiling is set at the amount you pay in the year that you qualify for the over-65 exemption. The county, city or special district may adopt a tax ceiling.

**How do I transfer my over-65 or disabled person tax ceiling?**

You may transfer the same percentage of school taxes paid to another qualified homestead in the state. If the county, city or special district grants the limitation, you may transfer the same percentage of taxes paid to another qualified homestead within that same taxing unit. Contact the Appraisal District for additional information.

**If I am disabled and over 65, can I claim both exemptions in the same tax year?**

You may not claim both an Over-65 and Disabled Person exemption in the same tax year.

**Does a non-profit organization automatically receive a property tax exemption?**

No. Often organizations mistakenly believe they are entitled to a property tax exemption because they have received a federal income tax exemption under Section 501(c) (3) of the Internal Revenue Code or an exemption from State sales taxes. The constitution requirements for property tax exemptions are different than the provisions covering income and sales taxes. A non-profit organization may qualify for a total exemption from property taxes, but they must apply by April 30.

**If I am the surviving spouse of a disabled person, am I entitled to the school tax ceiling?**

No, only surviving spouses (55 years of age or older) of persons who were 65 years of age or older when they died may benefit from the tax ceiling.

**If I am 65 years of age or older, disabled or a surviving spouse who is age 55 or older, does a tax ceiling apply to county, city or junior college district property taxes?**

Yes, if the county commissioners court, city council or board of the junior college district authorizes a tax limitation on the homesteads of persons 65 years of age or older or disabled. The taxing unit's

governing bodies or voters (by petition and election) may adopt the limitation. This local option exemption does not apply to other special districts such as water, hospital, etc.

### **Establishing Value-Frequently Asked Questions**

#### **How often does the Carson County Appraisal District value my property?**

By state law the appraisal district must repeat the appraisal process for each property in the county at least once every three years. Carson County Appraisal District reappraises all property annually.

#### **Why did my value change?**

During a reappraisal, value changes may occur for several reasons:

1. The correction of the database, such as a change in square footage, a pool not previously accounted for or a correction of property characteristics.
2. A value may be changed for equalization purposes.
3. Sales information may indicate the current appraised value is lower/higher than fair market value.

#### **Why are you inspecting my property?**

In order to make accurate appraisals on every property in our jurisdiction, we have to visit them periodically to ensure that the data used in making the appraisal is still correct. For instance, since we last visited your home:

1. The condition of the structure could have changed.
2. The appraisal district could have received a copy of a building permit indicating that a room was being added, the house was being remodeled, or some amenity such as a pool or detached garage was being added to or removed from the property.

#### **What is an improvement?**

Improvement means a building, structure, fixture, or fence erected on or affixed to land.

#### **What is a homestead cap value?**

Effective January 1, 2008, the Texas Property Tax Code, Section 23.23, states that the annual assessment of a residential homestead is limited to a 10% increase.

##### Rules:

1. Limitations take effect one year after you receive your Homestead Exemption.
2. Limitations do not apply to new improvements added in that year (i.e., additions, pools, garages).
3. Limitations are removed when a property sells.
4. Limitations will be shown on the Notice as "Capped Value".
5. All granted exemptions are subtracted from Cap Value instead of Market Value with the exception of the local option percentage. The local option percentage is subtracted from Market Value.
6. Capped Value minus applicable exemptions equals "taxable value".
7. The Capped Value is not a lifetime limitation.

#### **What is fair market value?**

Fair market value means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

1. Exposed for sale in the open market with a reasonable time for the seller to find a purchaser.

2. Both the seller and the purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use.
3. Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the exigencies of the other.

### **How did the Carson County Appraisal District arrive at my value?**

Utilizing comparable sales, income and/or cost data a CCAD appraiser applied generally accepted appraisal techniques to derive a value for your property.

### **What is a rendition for Real Property?**

A rendition is a statement listing taxable property and the name and address of the owner. The statement should also contain an owner's estimate of the property's value. The deadline for filing a rendition is April 15. Be sure to identify your property and attach any documentation that you may have such as closing statements, appraisals or sales of similar properties in your neighborhood.

## **Protesting Value – Frequently Asked Questions**

### **How do I protest my value?**

To protest an appraisal value set by CCAD, a taxpayer must notify the appraisal district in writing by May 31 or 30 days from the date of the Notice of Appraised Value. If the appraisal district generated no Notice of Appraised Value a protest may still be filed. The Notice of Protest need not be an official form; however, the appraisal district can send you a Notice of Protest form to complete and submit. You can submit a signed letter stating the protesting property owner's name, identifying the subject property and indicating an apparent dissatisfaction with some determination of the appraisal district.

### **If I protest, how will I be notified of my hearing?**

You will receive a "Notice to Appear" before the Appraisal Review Board at least 15 days prior to your hearing. You may request date and time that you can discuss the appraised value of your home informally with an appraiser. If you and the appraiser agree on the value of your home **you will not have to appear** before the Appraisal Review Board. If you do not agree with the appraiser you will be required to appear at your scheduled hearing and present your case to the Appraisal Review Board.

### **If I protest, how should I prepare for my hearing?**

You should gather evidence which supports your view of the value of your home. This would include sales of comparable homes in your neighborhood, the purchase price of your home, photographs of your home and comparable homes, or photographs of details of your home showing conditions such as cracks, flood damage, and so forth. Your presentation should be direct, concise and honest. Stick to the facts and avoid discussing issues that do not have anything to do with the value of your property such as the tax rate and percent increase from one year to the next. The panel hearing your case will inform you of the value set for taxation on your home. You will also receive, by certified mail, a written order from the Appraisal Review Board showing the value set on your property.

### **What is the Appraisal Review Board?**

The Appraisal Review Board or ARB is a group of private citizens authorized by state law to resolve protest disputes between taxpayers and the appraisal district. An ARB is established for each appraisal district in the State of Texas.

### **Can anyone attend an ARB hearing?**

Yes. They are open to the public.

## **Business Personal Property – Frequently Asked Questions**

### **What is a rendition for Business Personal Property?**

A rendition is a form that provides the appraisal district with the description, location, cost and acquisition dates for personal property that you own. The appraisal district uses the information to help estimate the market value of your property for taxation purposes.

### **Who must file a rendition?**

Renditions must be filed by:

1. Owners of tangible personal property that is used for business purposes.
2. Owners of tangible personal property on which an exemption has been cancelled or denied

### **What types of property must be rendered?**

For taxation purposes, there are two basic types of property: real property (land, buildings, and other items attached to land) and personal property (property that can be owned and is not permanently attached to the land or building such as inventory, furniture, fixtures, equipment and machinery). Business owners are required by State law to render personal property that is used in a business or used to produce income. This property includes furniture and fixtures, equipment, machinery, computers, inventory held for sale or rental, raw materials, finished goods, and work in process. You are not required to render intangible personal property (property that can be owned but does not have a physical form) such as cash, accounts receivable, goodwill, application computer software, and other similar items. If your organization has previously qualified for an exemption that applies to personal property, for example, a religious or charitable organization exemption, you are not required to render the exempt property.

### **Is my information confidential?**

Yes. Information contained in a rendition cannot be disclosed to third parties except in very limited circumstances. In addition, the Texas Property Tax Code specifically provides that any estimate of value you provide is not admissible in proceedings other than a protest to the Appraisal Review Board (ARB) or court proceedings related to penalties for failure to render. The final value we place on your property is public information, but your rendition is not.

### **What happens if I do not file a rendition, or file it late?**

If you do not file a rendition, the appraised value of your property will be based on an appraiser's estimate using comparable business types. In addition, if you fail to file your rendition before the deadline or you do not file it at all, a penalty equal to 10% of the amount of taxes ultimately imposed on the property will be levied against you. There is also a 50% penalty if a court finds you engaged in fraud or other actions with the intent to evade taxes.

### **If I cannot file the rendition on time, what should I do?**

The law provides for an extension of time to file a rendition. In order to receive the extension, you must submit the request to the Carson County Appraisal District in writing before the April 15

rendition filing deadline. With the receipt of a timely extension request, the rendition filing deadline will be extended to May 15.

**What do I do if the Chief Appraiser requests an explanatory statement from me?**

If you provide a good faith estimate of market value instead of original cost and acquisition date for any items, the Chief Appraiser may request an explanatory statement from you. The Chief Appraiser must make the request in writing, and you must provide the statement within 20 days of the date you receive the request. The explanatory statement must set out a detailed explanation of the basis for the estimate(s) of market value given in your rendition. The statement must include adequate information to identify the property. It must describe the physical and economic characteristics of the property that are relevant to its market value. It must also give the source(s) of information used in valuing the property and explain the basis for the value estimate.

**What if the Appraisal District values my property at a higher amount than what I render?**

You will receive a Notice of Appraised Value in late May or early June. If you disagree with the value placed on your property by the Appraisal District, you may wish to file a protest with the Appraisal Review Board. The protest must be filed by the deadline date indicated on the Notice. Once a timely protest is received, you will be scheduled for a hearing before the Appraisal Review Board. At your Appraisal Review Board hearing, you will be asked to provide documentation.

**How do I get more information or assistance?**

You may browse the Carson Appraisal District web site for forms, instructions, and general information or you may come to the Appraisal District Office at 102 S Main, Panhandle, TX or you may call us at (806) 537-3569. You may also use the Texas Comptroller of Public Accounts web site.