

Over 65 and Disabled Persons: Options for Targeted Property Tax Relief



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Tax Relief Options for Seniors and Disabled Persons

- ❑ Fixed-value property tax exemption
 - City of Austin exemption amount currently set at \$70,000
- ❑ Property tax limitation
 - Tax bills capped at the amount paid in the year when the individual turned 65 or became disabled
 - Permanent and irrevocable once adopted
- ❑ Tax payment deferral
 - Seniors can defer taxes until sale of property or death
 - Deferred taxes remain due from estate
 - Taxes deferred incur 8% annual interest penalty
- ❑ Commission on Seniors “circuit breaker” approach
 - Targeted tax exemption based on income level/ability to pay
 - Not currently authorized by state law

Senior/Disabled Exemptions in Other Jurisdictions

❑ Fixed-value Senior/Disabled Exemption

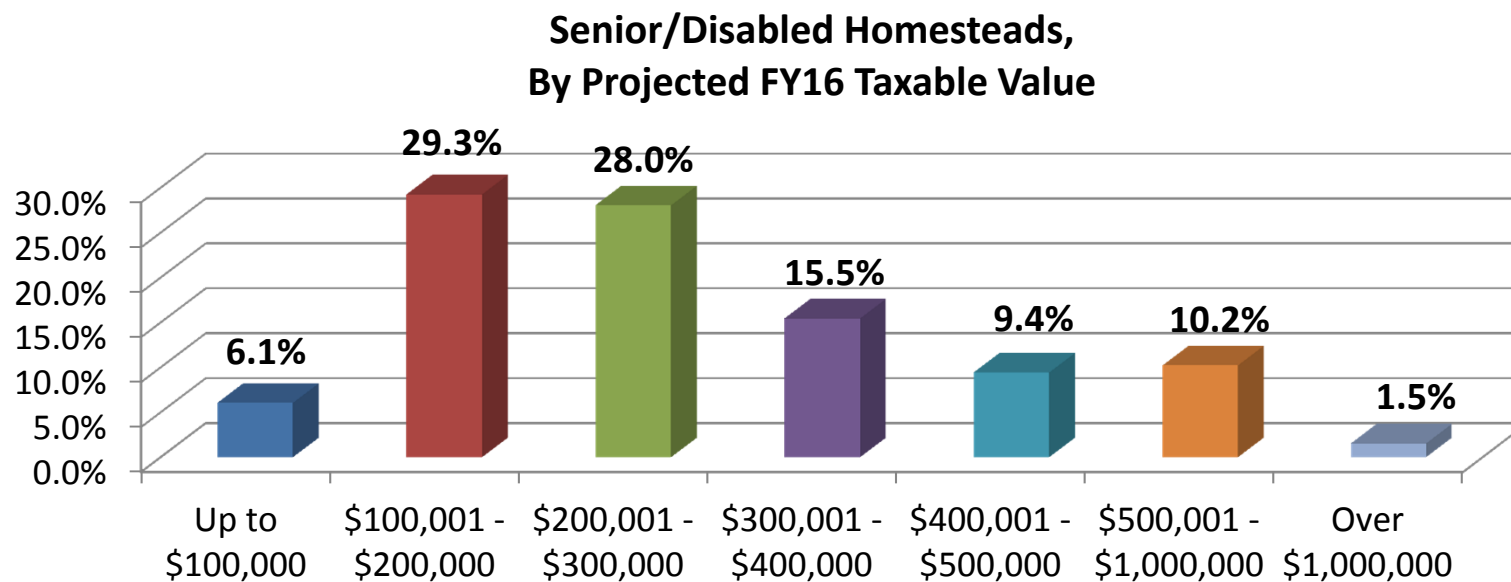
- Austin Independent School District: \$35,000 senior/\$25,000 disabled
- City of Austin: \$70,000
- Travis County: \$70,000
- Central Health: \$70,000
- Austin Community College: \$125,000

❑ Tax Limitation

- School districts required by state law to provide tax limitation for seniors
- 2008 news report indicated 244 Texas cities had instituted tax limitations

Demographic Context

- ❑ Seniors represent approximately 7.9% of Austin's population; expected to rise to 16% by 2040
- ❑ 33,200 homes receive the Over 65 exemption
- ❑ 2,390 households receive the Disabled Persons exemption
- ❑ Median assessed value of properties receiving the Over 65 or Disabled exemption is 7.7% higher than the citywide median



Fixed Value Exemption Cost Analysis

	FY15	FY16	FY20
Fixed-Value Exemption	\$70,000	\$77,000	\$144,000
Property Assessed Value			
\$100,000	\$103	\$82	\$0
Median	\$739	\$737	\$737
\$1,000,000	\$4,064	\$4,163	\$4,945
General Fund Revenue Impact	-	(\$1.1M)	(\$14.4M)

Tax Limitation Cost Analysis

	FY15	FY16	FY20
Fixed-Value Exemption	\$70,000	\$70,000	\$70,000
Property Assessed Value			
\$100,000	\$103	\$116	\$116
Median	\$739	\$771	\$771
\$1,000,000	\$4,064	\$4,197	\$4,197
General Fund Revenue Impact	-	-	(\$21.1M)



Questions/Comments/Discussion

