

National Association of Counties

Property Taxes: A Look at Exemptions, Tax Limits and Assessment Cycles

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About the National Association of Counties

The National Association of Counties (NACo) is the only national organization that represents county governments in the United States. Founded in 1935, NACo provides essential services to the nation's 3,068 counties. NACo advances issues with a unified voice before the federal government, improves the public's understanding of county government, assists counties in finding and sharing innovative solutions through education and research, and provides value-added services to save counties and taxpayers money. For more information about NACo, visit www.naco.org.

Property Taxes: A Look at Exemptions, Tax Limits and Assessment Cycles

Our modern property tax system can be traced back to England as far back as the Middle Ages. Kings of England were known for their heavy-handed tax collections. Large English landowners were generally the targets of tax collection, since they had the greatest ability to pay. In the early days of the United States, property taxes were frequently the only major revenue source that supported state and local government programs.

A property tax is a levy assessed by a state or local government on real or personal property. In some states local authorities such as school districts, water and sewer services are also involved with determining the amount of property tax levied.

State and local governments rely heavily on the tax revenue derived from property taxes. In fact, property taxes are often the largest source of income for local governments and some state governments since 37 states authorize the collection of both state and local property taxes. In some of those 37 states, more revenue is generated through property taxes than through sales and income taxes combined. The federal government plays no role in property tax collections. Local and state governments collect property taxes on:

- Land and structures
- Improvements to land (property additions)
- Personal property (cars, trucks, planes, etc.)

The rules and regulations regarding the collection of property taxes vary from state to state. Common in most governments, however, is the granting of exemptions from this tax for government-owned property, property owned by nonprofit organizations, schools, religious institutions and special categories of homeowners. All states give taxing authority to counties. Most states and counties that collect property taxes rely heavily on them as a source of revenue. With local governments and school districts depending more on property taxes than any other revenue source. In fact, counties in New England states are above the national average in property tax reliance.

Determining the Property Tax

Each county in the country that uses property taxes as a major source of revenue starts the budget process in much the same way. Local governments start the process by going through their budgets and determining what services and programs they will be providing during the coming fiscal year and the level of these services. The next step determining the cost of providing these services; taking into account inflation, negotiated salary increases and other factors. Finally, the governments look at the sources of funding to pay for these services and programs and in the vast majority of counties, after looking at all other funding sources, the governments look to property taxes for the remaining revenue.

The property tax is based on the tax rate that the county sets on the taxable value of property. County tax rates vary across the nation from some of the highest in counties in New York and New Jersey, to the lowest which include nearly all of the Parishes in Louisiana.

Local assessors set the value of property using standards set by state law. Of the common methods (market value method, cost method or income method) market value is the method most frequently used. Property is assessed on a cycle based on the states' standards. Thirty-four states and the District of Columbia use statistical methods to adjust reappraisals such as sales-ratio analysis that compares sale price to assessed value. Once the market value of the property is determined, it is then multiplied by the established assessment ratio giving the taxable value. This number is then used in the formula that determines the taxes due.

Each year counties look to the assessed or appraised values of the property in the county to help make tax rate decisions. Local assessing officers value property in each county based on a cycle that is often determined by state law. These appraisals nearly always involve mandated property inspections. Cycles for these appraisals can be as frequent as an annual reassessment by some local counties in many states to between 5 and 10 year cycles in Alaska and North Dakota.

Table 1

State	Assessment Cycles	Most Common Assessment Cycle (Years)
Alabama	Locally determined	4
Alaska	Locally determined	2 -3
Arizona	Locally determined	Annually
Arkansas	Locally determined	5
California		Annually
Colorado		2
Connecticut	Locally determined	4
Delaware	Locally determined	Varies
Florida	Locally determined	Annually
Georgia	Locally determined	3
Hawaii	Locally determined	Annually
Idaho	Locally determined	5
Illinois	Locally determined	4
Indiana	Locally determined	4
Iowa	Locally determined	2
Kansas		Annually
Kentucky		
Louisiana	Locally determined	
Maine		
Maryland		
Massachusetts	Locally determined	3
Michigan		
Minnesota		
Mississippi	Locally determined	4
Missouri	Locally determined	2
Montana		4 - 6
Nebraska		5- 10
Nevada		5
New Hampshire		
New Jersey	Locally determined	
New Mexico	Locally determined	2
New York	Locally determined	Varies
North Carolina	Locally determined	between 4 - 8
North Dakota	Locally determined	between 5 - 10
Ohio		6
Oklahoma		4
Oregon	Locally determined	6
Pennsylvania	Locally determined	
Rhode Island	Locally determined	10
South Carolina	Locally determined	5

South Dakota		
Tennessee		6
Texas	Locally determined	3
Utah	Locally determined	5
Vermont	Locally determined	
Virginia	Locally determined	4
Washington		Annually
West Virginia		Annually
Wisconsin	Locally determined	5
Wyoming		Annually

Once the taxable value of property has been calculated, the county works to determine the tax rate it will levy on the taxable value of its properties. The county manager or chief financial officer usually calculates the amount of revenue needed from its taxable property to meet the budgetary needs of the county for the fiscal year and determines the tax rate. This tax rate is included in the budget recommendation that goes to the governing body, usually the County Board for approval. The County Board, as it goes through its budgetary process, will decide if this is the rate they want and need to levy and can make additional changes to its budget in order to minimize increases in the tax rate. One of the considerations when establishing a tax rate is the number of properties that will receive some type of property tax exemption (s) based on state or local law. These authorized exemptions vary from place to place but can range from annual homestead exemptions to exemptions for seniors or for the disabled, to widows of firefighters or military veterans. The amounts of these exemptions vary.

Table 1: Property tax exemptions

State	Exemptions
Alabama	Personal Property; Homestead Exemptions, Homesteads; Generally, Veterans; Home, Disabled Senior Citizens and many other Corporations are exempt from property taxes
Alaska	Yes, there are some mandatory exemptions and some optional exemptions. These exemptions, however, apply only to certain properties. Under AS 29.45.030(e), there is a mandatory exemption up to the first \$150,000 of assessed value for the primary residence of a senior citizen, age 65 years and older, or a disabled veteran with a service connected disability of 50% or more. This exemption must be applied for by January 15 unless another date not later than March 31 is provided by ordinance on a form approved by the state assessor. (A municipality may waive timely filing for good cause.) All municipalities are required to grant this exemption
Arizona	Honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state; property of each widower; person who, after age seventeen, has been medically certified as totally and permanently disabled under guidelines
Arkansas	Arkansas' disabled veterans who have been awarded special monthly compensation by the Department of Veterans Affairs for the loss of, or the loss of use of, one (1) or more limbs, for total blindness in one (1) or both eyes, or for service-connected one hundred percent (100%) total and permanent disability shall be exempt from payment of all state taxes on the homestead and personal property owned by the disabled veteran. Surviving spouses, so long as they remain unmarried, and dependent children, during their minority, continue this entitlement. Entitlement is also available if the veteran was killed or died within the scope of his military duties, is missing in action, or died from service connected causes as certified by the Department of Veterans Affairs. <u>If subsequent marriage is terminated, surviving spouse may be reinstated.</u> In all cases, annual re-certification of continued entitlement by the VA is required

California	Current law provides a basic exemption of \$100,000 on the principal place of residence for veterans with specified disabilities or for unmarried surviving spouses of deceased disabled veterans. A one-time filing is required. This exemption may be raised to \$150,000 if the applicant meets the income limit of \$40,000. Annual filing is required for the \$150,000 exemption. The income limit and both the exemption amounts are adjusted annually for inflation
Colorado	SCR06-001 has passed and will be on the November ballot. It provides a Property Tax Exemption for 100% SC disabled veterans. Governor Ritter signed Senate Bill 10-190 which eliminates the Senior Property Tax Exemption for the years 2010 and 2011 affecting taxes payable in 2011 and 2012.
Connecticut	The law establishes two state-funded property tax relief programs for qualified elderly and disabled homeowners. The first is the "circuit breaker" program, which provides a property tax credit based on the participant's income and marital status. (CGS § 12-170aa-cc). The second is the Tax Freeze program, which freezes property taxes at 1967 through 1978 levels. The tax freeze program has been closed to new applicants since 1979. (CGS § 12-129b). The state reimburses towns for the taxes they lose under these two programs. Veterans, who have ninety days of wartime service, including Merchant Marines, who served during WWII, are eligible for a \$1,500 exemption for property tax purposes (e.g., real property or automobiles). You have the option to choose to apply this exemption to your real estate or automobile tax. Certain veterans, who do not own real property or a motor vehicle, may be eligible for a tax refund if they are leasing a motor vehicle. Veterans below a certain income level and/or service connected disabled veterans are eligible for additional property tax exemptions (up to \$10,000 for paraplegics). Surviving spouses of veterans may also be eligible for this benefit.
Delaware	Homeowners age 65 or over are eligible for a tax credit against regular school property taxes of 50 percent (up to \$500). This credit may only be used against property taxes on a primary residence
Florida	Homestead up to \$50,000; widows and widowers \$500; disability \$500; blind persons \$500; total and permanent disability; local option homestead for persons 65 and older; disability for an ex-service member up to \$5,000; service-connected, total and permanent disability or confined to a wheelchair; discount for veterans 65 and older with a combat related disability; deployed military exemption;
Georgia	Standard Homestead Exemption (Generally, a homeowner is entitled to a homestead exemption on their home and land underneath provided the home was owned by the homeowner and was their legal residence as of January 1 of the taxable year; Individuals 65 Years of Age and Older May Claim an exemption from state tax on their home and 10 acres of land surrounding the home; Individuals 65 Years of Age and Older May Claim a \$4,000 Exemption; Homestead Exemption for Disabled Veteran or Surviving Spouse; Homestead Exemption for Surviving Spouse of U.S. Service Member; Homestead Exemption for Surviving Spouse of Peace Officer or Firefighter
Hawaii	Applies to real property that is owned and occupied as a home by a totally disabled veteran or widow(er). Also applies to passenger cars when they are owned by totally disabled veterans and subsidized by the Department of Veterans Affairs
	Hawaii County: disability exemption, home exemptions, veterans exemption
	Maui County: disabled veteran's, active duty deployed military, non-profit, taro, leprosy, impaired sight or hearing, totally disabled, credit union and child care facilities
Idaho	Idaho has a homeowner's exemption for owner-occupied homes and manufactured homes that are primary dwellings. The exemption includes the value of your home and up to one acre of land

Illinois	The General Assembly by law may exempt from taxation only the property of the State, units of local government and school districts and property used exclusively for agricultural and horticultural societies, and for school, religious, cemetery and charitable purposes. The General Assembly by law may grant homestead exemptions or rent credits.
Indiana	Homestead standard deduction, over 65 deduction, veteran deduction, disabled veteran deduction
Iowa	Disabled and Senior Citizens Property Tax Credit/Rent Reimbursement, Homestead Credit, Military Exemption Mobile Home Reduced Tax Rate
Kansas	Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the state court of tax appeals and provided by the county appraiser. The initial exemption request shall identify the property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed. The request for exemption shall be filed with the county appraiser of the county where such property is principally located. After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.
Kentucky	There shall be exempt from taxation...personal property both tangible and intangible owned by...who is sixty-five years of age or older, or is classified as totally disabled under a program authorized or administered by an agency of the United States government or by any retirement system either within or without the Commonwealth of Kentucky
Louisiana	Homestead exemption
Maine	Homestead Exemption -This program provides a measure of property tax relief for certain individuals that have owned homestead property in Maine for at least twelve months and make the property they occupy on April first their permanent residence. Property owners would receive an exemption of \$10,000; Veteran Exemption - A veteran who served during a recognized war period and is 62 years or older; or, is receiving 100% disability as a Veteran; or, became 100% disabled while serving, is eligible for \$6,000; Paraplegic Veteran - A veteran who received a federal grant for a specially adapted housing unit may receive \$50,000; Blind Exemption - An individual who is determined to be legally blind receives \$4,000
	A property tax exemption is available to veterans who are permanently and totally disabled from service-connected causes, for their primary residence located in the State of
Maryland	Maryland. The exemption passes to the veteran's spouse upon his or her death. The surviving spouse of active duty military personnel who died in the line of duty as well as the surviving spouse of a totally disabled veteran, or a spouse who receives the dependency and indemnity compensation (effective June 30, 2006) may also receive an exemption. Those persons with a central visual acuity of 20/200 or less in the better eye may receive, with a doctor's certification, an exemption of \$15,000 of assessment reduction on the dwelling house and surrounding yard. Legally blind persons may apply at any time and need not meet the general September 1 filing deadline.
Massachusetts	An elderly person with financial need, age 70 or older (65 in some communities); a person who is legally blind (with proof of blindness); a widow/widower, or a minor child with one parent deceased; a veteran with a wartime disability (or surviving spouse); a homeowner of any age who is facing a severe financial hardship

Michigan	Michigan's property tax credit is a way the State of Michigan helps you pay some of your property taxes if you are a qualified Michigan homeowner or renter. You may claim a property tax credit if all of the following apply: Your homestead is in Michigan, You were a resident of Michigan for at least six months during the year, You own/rent and occupy a Michigan homestead on which property taxes were levied, Your household income is less than \$82,650; Mobile Home Park Resident - You may claim \$3 per month (12 months x \$3 = \$36) for a total of \$36 and 20% of the yearly rent amount less the \$36 (total yearly rent - \$36 = lot rental without property tax; x 0.20) for the total amount. If you paid additional taxes on attached buildings (garage, tool shed, etc.), then you may also claim that amount; An alternate credit is available only to renters age 65 or older whose rent is more than 40% of their household income; Nursing home: If one spouse lives in a nursing home or foster care home and the other spouse maintains a home, you may file a joint credit claim. Combine the tax for the homestead and the share of the facility's property tax to compute your claim. If you are single and maintain a homestead (that is not rented to someone else) while living in a nursing home or adult care facility, you may claim either your homestead or your share of the facility's property tax, but not both. Use the one that gives you the larger credit; allows homeowners an exemption from their local School Operating Millage
Minnesota	Homestead; disabled veteran
Mississippi	Homestead Exemption is a privilege offered to eligible taxpayers by the State of Mississippi; Service-connected, totally disabled (100%) American veterans who were honorably discharged from military service are exempt from all ad valorem taxes on homesteads of \$7,500.00 or less in assessed value
Missouri	If you or your spouse is a 100% service connected disabled veteran, you may qualify for a Property Tax Credit with the State of Missouri. Veterans and non-veterans may also qualify for this credit if they are over age 65 even if they are not 100% disabled.
Montana	Property Tax Assistance Program: A qualified applicant is someone who is an owner of the property and who occupied the property as their primary residence for at least seven months during the preceding calendar year; Extended Property Tax Assistance Program: Those properties that meet the preliminary criteria to receive applications are determined by the Department of Revenue from valuation information stored on its ORION computer system; Disabled American Veterans (DAV) Property Tax Benefits: A benefit of a reduced property tax rate is available by application, for Disabled Veterans and the Surviving Spouse of a veteran that was killed while on active duty or died as a result of a service-connected disability; Elderly Home Owner/Renter Credit: An eligible individual is someone who during the tax year reached age 62 or older as of December 31, 2011, resided in Montana for 9 months or more of the period, occupied one or more dwellings in Montana as an owner, renter, or lessee for 6 months or more and had less than \$45,000 of gross household income
Nebraska	An honorably discharged veteran or a veteran with a general discharge under honorable conditions, of the United States Armed Forces, whose disability or blindness is recognized by the Department of Veterans' Affairs of the United States of America as service connected and Who has lost the use of or has undergone amputation of two (2) or more extremities, or Who has undergone amputation of one (1) or more extremities and has lost the use of one (1) or more extremities, or Whose sight is defective so as to seriously limit his or her ability to engage in ordinary vocations and activities of life, shall be eligible for exemption from taxation for the following property: A mobile home owned and occupied by the blind or disabled veteran; and One motor vehicle owned and used for his or her personal transportation

Nevada	Senior Citizen Tax Rebate/Rental Assistance program has been eliminated by the Nevada State Legislature. The Surviving Spouse Exemption applies to Nevada residents and is in the amount of \$1,170 assessed valuation deduction. Conversion into actual cash dollar savings varies depending on the tax rates—approximately \$40 per year on real estate or personal property taxes. The Veteran’s Exemption provides a \$2,340 exemption for assessed value deduction. The Disabled Veteran’s Exemption is provided for veterans who have a permanent service connected disability of at least 60%. The amount of exemption is dependent upon the degree of disability incurred. The Blind Exemption is in the amount of \$3,510 assessed value deduction. Conversion into actual cash dollar savings varies depending on the tax rates—approximately \$120 per year on real estate or personal property taxes.
New Hampshire	Exemption for the Disabled: This Exemption is \$32,000 off the assessed value off a person’s residential real estate; Exemption for the Blind: This Exemption is \$30,000 off the assessed value of a person’s residential real estate; Exemption for the Elderly: For a person 65–74 years of age, the exemption is \$125,000 off of the assessed value, For a person 75–79 years of age, the exemption is \$175,000 off of the assessed value, For a person 80 years of age and older, the exemption is \$225,000 off of the assessed value; Veterans or Veterans Widow Tax Credit: This is a \$200 tax credit from the property tax on a qualifying veteran’s residential property; Tax Credit for Service-Connected Total Disability: This is a \$2,000 tax credit from the property tax on a qualifying veteran’s residential property
New Jersey	Homestead Benefit Program: Homeowners Age 65 or Older and/or Disabled on December 31, 2010, Homeowners Under Age 65 and NOT Disabled on December 31, 2010; New Jersey’s Constitution and Tax Laws provide that certain totally and permanently disabled war veterans or the surviving spouses of such disabled war veterans or the surviving spouses of servicepersons who died on wartime active duty be exempt from real estate taxes on their principal residence and the lot on which that residence is situated. To qualify for a real estate tax exemption as a veteran, you must be honorably discharged from active wartime service in the US Armed Forces and be VA certified as having service-connected total or 100% permanent disability
New Mexico	Veterans’ Tax Exemption: Any veteran who was honorably discharged from the U.S. Armed Forces and served 90 or more days of active duty and has established legal residency in New Mexico, qualifies for the New Mexico Veterans’ Tax Exemption; Disabled Veteran Tax Exemption: Any veteran who has been approved for 100 percent service-connected disability compensation benefits by the Department of Veterans Affairs (VA) is eligible for a complete property tax waiver on their primary residence; Head of Family: The state statute on this reads: As used in this section, Head of the Family means an individual New Mexico resident who is either Married, Widow or Widower, Head of Household furnishing more than one half the cost of support of any related person; or A single person
New York	Disabled Homeowners’ Exemption (DHE): DHE is granted to owners of 1-, 2-, and 3-family houses, condominiums, or cooperative apartments who meet disability status, income and residency requirements; Senior Citizen Homeowners’ Exemption (SCHE): SCHE is granted to owners of 1-, 2-, and 3-family houses, condominiums, or cooperative apartments who meet age, income and residency requirements; Basic STAR: There is no age limit. Beginning July 1, 2011, total combined household income must be \$500,000 or less; The Veteran’s Exemption can be applied to Class 1, Class 2 and Class 4 properties. A qualified veteran is one who served in the armed forces during one of the specified periods of conflict; The property must be the primary residence of the applicant(s). This means you must live in the house, condominium, or cooperative apartment more than six months a year. Other owners who are eligible: Wife or husband of a qualified veteran, Surviving spouse of a qualified veteran (who has not remarried), Gold Star parent (the parent of a child who died in the line of duty while serving in the US armed forces during one of the periods above), Registered domestic partner of a qualified veteran

North Carolina	North Carolina excludes from property taxes a portion of the appraised value of a permanent residence owned and occupied by North Carolina residents aged 65 or older or totally and permanently disabled whose income does not exceed \$27,100 annually; North Carolina excludes from property taxes \$45,000 of the appraised value of a permanent residence owned and occupied by an honorably discharged disabled veteran or the unmarried surviving spouse of an honorably discharged disabled veteran. A disabled Veteran is a Veteran who either (1) has 100% permanent total disability that is service-connected or (2) receives benefits for specially adapted housing under 38 U.S.C. 2101; Circuit Breaker Tax Deferment for Senior Citizens: For an owner whose income amount for the previous year does not exceed the income eligibility limit for the current year, which for the 2009 tax year is \$27,100 the owner's taxes will be limited to four percent (4%) of the owner's income
North Dakota	Residential and agricultural property income tax credit: This credit is based on the property taxes levied on North Dakota residential or agricultural property. To qualify for this credit, all of the following conditions must apply: Your primary residence, whether owned or leased, must be located in North Dakota; The credit is allowed only on property you own; The property is classified as residential or agricultural for property tax purposes; The property is located in North Dakota
Ohio	In 2007, state leaders expanded the homestead exemption to make property tax relief available to more than a half million additional senior citizens and permanently and totally disabled Ohioans. The redesigned exemption offers all eligible homeowners, regardless of income, the opportunity to shield up to \$25,000 of the market value of their homestead from property taxation. Seniors and disabled Ohioans must apply with their local county auditor in order to take advantage of the homestead exemption
Oklahoma	Homestead Exemption: If you maintain a homestead and meet the ownership and residency requirements, you should qualify for homestead exemption. Homestead exemption is a \$1,000 deduction from the gross assessed value of your home; Additional Homestead Exemption If your gross household income from all sources (except gifts) is \$20,000 or less a year, and you meet all the homestead exemption requirements, you may qualify for an additional \$1,000 exemption; Property Tax Refund/Credit If your gross household income from all sources (except gifts) is \$12,000 or less, AND you are at least 65 years of age OR totally disabled, you may be eligible for a property tax refund.
Oregon	Disabled Veteran or Surviving Spouse Property Tax Exemption: If you are a disabled veteran or the surviving spouse or registered domestic partner (partner)* of a veteran, you may be entitled to exempt \$17,911 or \$21,493 of your homestead property's assessed value from property taxes; Oregon Active Duty Military Service Member's Exemption Claim
Pennsylvania	The income eligibility level for the Property Tax/Rent Rebate Program has been raised from \$15,000 a year to \$35,000 a year, excluding half of Social Security income, and the maximum rebate was increased from \$500 to \$650 for homeowners. Claimants or spouses 65 years of age or older; widows or widowers 50 years of age or older; and the permanently disabled 18 years of age or older may qualify for the Property Tax/Rent Rebate Program. In addition, property tax rebates are increased by an additional 50 percent for senior households in the rest of state, so long as those households have incomes under \$30,000 and pay more than 15 percent of income in property taxes; Any honorably discharged veteran who is a resident of the Commonwealth shall be exempt from the payment of all real estate taxes levied upon any building, including the land upon which it stands, occupied by him as his principal dwelling, provided that as a result of wartime military service the veteran has a 100% service-connected disability rating by the U.S. Department of Veterans Affairs; that such dwelling is owned by him solely or jointly with his spouse (an estate by the entirety); and that the financial need for the exemption from the payment of real estate taxes has been determined by the State Veterans' Commission. Upon the death of the qualified veteran, the exemption passes on to the unmarried surviving spouse if the financial need can be shown.

Rhode Island	Property Tax Relief Claim: legal resident of Rhode Island for all of 2011, live in a household or rent a dwelling that was subject to property tax, current for property taxes or rent due on the homestead for all prior years, current on 2011 property taxes or rent and will pay any unpaid installments, household income \$30,000 or less
South Carolina	The dwelling house and up to one acre of surrounding land is exempt for: a veteran who is permanently and totally disabled from a service-connected disability and the surviving spouse, the surviving spouse of military personnel killed in the line of duty, a paraplegic or hemiplegic person and the surviving spouse; a homestead exemption of \$50,000 is available to residents who are 65 years of age, who are totally disabled or who are totally blind; Up to \$100,000 exemption for legal residences from ordinary school millage
South Dakota	Property Tax Exemption for Disabled Veterans: Veterans that have been rated as permanently and totally disabled as the result of a service connected disability may be eligible for up to \$100,000 of their property value to be exempt from property taxes; Property Tax Refund for Aged and Disabled Persons: 1.The head of the household must be sixty-five years of age, or older, or shall be disabled prior to January first of the year in which taxes are levied. 2. The applicant must have owned the property for at least three years or, have been a resident of this state at least five years if not qualified under the three year ownership criteria.
Tennessee	Elderly Homeowner or DISABLED HOMEOWNER: Must be 65 or older on or before December 31, 2011, Must provide evidence of age, Must own and use the property on which you are applying as your primary residence, Combined 2010 annual income for you, *your spouse and all other owners of the property cannot exceed \$26,830; DISABLED VETERAN: A service-connected disability that resulted in: Paraplegia OR Permanent paralysis of both legs and lower part of the body resulting from traumatic injury or disease to the spinal cord or brain; OR Loss, or loss of use of, two (2) or more limbs; OR legal blindness; A total and permanent disability rating from a service connected disability; A 100% total and permanent disability rating from being a prisoner of war; Must own and use property on which you apply as your primary residence. WIDOW(ER) OF A DISABLED VETERAN: Property tax relief shall also be extended to the surviving spouse of a disabled veteran who at the time of the disabled veteran's death was eligible for disabled veterans' property tax relief.
Texas	Homestead: You may apply for homestead exemptions on your principal residence. Homestead exemptions remove part of your home's value from taxation, so they lower your taxes; Age 65 or older and disabled exemptions: Individuals 65 and older and/or disabled residence homestead owners may qualify for a \$10,000 homestead exemption for school taxes, in addition to the \$15,000 exemption for all homeowners. If the owner qualifies for both the \$10,000 exemption for 65 and older homeowners and the \$10,000 exemption for disabled homeowners, the owner must choose one or the other for school taxes. The owner cannot receive both exemptions; Optional 65 or older or disabled exemptions: Any taxing unit may offer an additional exemption amount of at least \$3,000 for taxpayers age 65 or older and/or disabled; Veterans: Disabled veterans who meet certain requirements, their surviving spouses and the spouses and minor children of a person who dies on active duty in the U.S. Armed Forces are eligible for property tax exemptions on the appraised value of their property. The exemption is mandatory and applies to taxes levied by all taxing authorities in the State. A veteran, whose service-connected disabilities are rated less than 10% by the Department of Veterans Affairs, or a branch of the Armed Forces, is not entitled to a property tax exemption.

Utah	Low Income Abatement: age 65 or older on or before December 31, 2011, or under age 65 and disabled, or under age 65 and it would be an extreme hardship to pay the tax, total household income less than \$29,210, reside in the home for which you are claiming the abatement for ten months during 2011; Homeowner's Tax Credit: age 66 or older on or before December 31, 2011, or Are you a widow or widower, total household income less than \$29,210, furnish your own financial support for 2011, live in Utah for the entire year of 2011; Veteran Property Tax Abatement: A Utah permanent place-of-residence property tax exemption equivalent to the military service-connected disability rating percentage is provided for disabled veterans or for their unremarried widows or minor orphans
Vermont	Renters Rebate Claim: If Household Income is \$47,000 or less, you may be eligible for a renter rebate; Homeowner's Property Tax Adjustment: Homeowners with Household Income up to \$97,000 may be eligible for a property tax adjustment;
Virginia	Section 6-A. Property tax exemption for certain veterans. Notwithstanding the provisions of Section 6, the General Assembly by general law, and within the restrictions and conditions prescribed therein, shall exempt from taxation the real property, including the joint real property of husband and wife, of any veteran who has been determined by the United States Department of Veterans Affairs or its successor agency pursuant to federal law to have a one hundred percent service-connected, permanent, and total disability, and who occupies the real property as his or her principal place of residence. The General Assembly shall also provide this exemption from taxation for real property owned by the surviving spouse of a veteran who was eligible for the exemption provided in this section, so long as the surviving spouse does not remarry and continues to occupy the real property as his or her principal place of residence.
Washington	Property Tax Exemption for Senior Citizens and Disabled Persons: If you are a senior citizen or disabled with your primary residence in Washington State, there are two programs that may help you pay your property taxes and/or special assessments. Your household income and your age or disability determines your eligibility for both programs.
West Virginia	Homestead Exemption: This program provides for a \$20,000 exemption against the total assessed value of a single family dwelling, including mobile or manufactured homes, owned and occupied as a residence by any person who is at least sixty-five years old or totally and permanently disabled and who has legally resided in and paid taxes on a homestead in this State for two consecutive taxable years before filing for this exemption; Homestead Exemption for Certain Eligible Veterans Specific information is available through the local County Assessor's Office.
Wisconsin	Homestead Exemption: To qualify for homestead credit for 2011 You must have been a legal resident of Wisconsin for all of 2011, from January 1 through December 31, You must have been 18 years of age or older on December 31, 2011. You cannot be claimed as a dependent on someone else's 2011 federal income tax return(Note: This limitation does not apply if you were 62 years of age or over on December 31, 2011.), Your household income must have been less than \$24,680 for 2011, You must have been the owner or renter of your Wisconsin homestead during 2011, You must not have lived for the entire year 2011 in housing that is exempt from property taxes, You must not, at the time of filing a claim, be living in a nursing home and receiving Title XIX medical assistance, You must not be claiming Wisconsin farmland preservation credit for 2011. You must not be claiming the veterans and surviving spouse's property tax credit on the 2011 real estate taxes. Only one claim may be filed per household (husband and wife residing together), No claim may be filed on behalf of a person after his or her death. You must not have received Wisconsin Works (W2) payments of any amount or county relief payments of \$400 or more for each month of 2011; A Wisconsin property used as the owner's primary residence may qualify for a Lottery and Gaming credit; If there is a real property improvement on the land, the property qualifies for the First Dollar Credit; All taxable real property in Wisconsin qualifies for the School Levy Tax Credit

Wyoming	<p>Veteran’s exemption is available to Wyoming homeowners that have resided in the State for a minimum of three years, who are honorably discharged, served in certain military conflicts or possess an expeditionary medal. The exemption is applied against the veteran’s assessed value, up to the maximum of \$3,000 per year, on property owned by the veteran and/or spouse. This exemption is also available to a qualified veteran’s surviving spouse; Wyoming’s homeowner’s tax credit is available only when funded by the legislature. If the program is funded, it provides property tax relief for homeowners on their principal residence; The property tax deferral program is available to elderly, disabled, and low-income homeowners, or if home was purchased prior to December 31, 1987, and if the program is adopted by the county commissioners. This program may allow up to one half of the annual property taxes to remain unpaid. All unpaid taxes become a lien against the property. The taxes must be paid if affidavits aren’t filed, if the property is sold or transferred, if the owner dies, or if ordered by the county commissioners. Commissioners may order payment of any deferred taxes, which exceed half the property’s market value; The property tax refund program is available to persons who meet certain gross income criteria. An application must be filed on or before the first Monday in June with the county treasurer or Department of Revenue</p>
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Property taxes are responsible for more than 50% of all local tax revenue. Thirteen states have local governments that rely on property taxes for more than 90% of their local tax revenue. In fact, there are only 9 states that rely 60% or less on revenue from property taxes. Even though county governments rely heavily on property taxes as a source of revenue there are numerous constraints that can be placed on this tax process. These limits can be placed in areas such as property assessment increases, property tax rates and local revenue growth. There are also several states that allow citizen driven initiatives that appear on state ballots that allow citizens to pass laws and amend state constitutions in ways that impact property tax administration and collection. Some notable examples of such citizen driven initiatives are Proposition 13 in California, Proposition 2 ½ in Massachusetts, and “Cut and Cap” in Oregon.

Other rules and restrictions are placed on property taxes by the states. The property taxes due on any piece of property can vary significantly based on the state’s assessment cycle alone. Property tax rates that change on a yearly basis can also have a great impact on the final tax due for real estate. Some states have established strict guidelines that set limits or limit the actions that can be taken by taxing authorities. These can include caps on the millage rate, freezes on assessments, and limitations on the amount of revenue that can be generated from taxes.

Table 2: Restrictions on Local Property Taxes

State	No Limits	Property Tax Rate Limits	Assessment Limits	Revenue Rollbacks	Expenditure Limits	Property Tax Freeze
Alabama		Yes	Yes			
Alaska		Yes				
Arizona		Yes	Yes		Yes	Yes
Arkansas		Yes	Yes	Yes		Yes
California		Yes	Yes		Yes	
Colorado					Yes	
Connecticut						Yes
Delaware				Yes		
Florida		Yes	Yes	Yes		
Georgia			I			
Hawaii	Yes					
Idaho		Yes				
Illinois		Yes	Yes			Yes
Indiana		Yes				

Iowa		Yes	Yes		Yes	
Kansas		Yes		Yes	Yes	
Kentucky		Yes		Yes		Yes
Louisiana		Yes		Yes		
Maine	Yes					
Maryland			Yes			
Massachusetts		Yes				
Michigan		Yes	Yes	Yes		
Minnesota		Yes				
Mississippi		Yes				
Missouri		Yes		Yes		
Montana		Yes		Yes		
Nebraska		Yes			Yes	
Nevada		Yes	Yes			
New Hampshire	Yes					
New Jersey			Yes		m	Yes
New Mexico		Yes	Yes			
New York		Yes	Yes (a)			
North Carolina		Yes				
North Dakota		Yes				
Ohio		Yes		Yes (l)		
Oklahoma		Yes	Yes			Yes
Oregon		Yes	Yes			
Pennsylvania		Yes				l
Rhode Island		Yes				
South Carolina		Yes	Yes	Yes		
South Dakota		Yes		Yes		Yes
Tennessee						l
Texas		Yes	Yes	Yes		s
Utah		Yes				
Vermont	Yes					
Virginia				Yes		
Washington		Yes	Yes	Yes		Yes
West Virginia		Yes				
Wisconsin		a (2)			l	
Wyoming		Yes				
Key						

a = selected counties
l = local opinion
m = municipalities
s = school districts

Resources

Exemptions

- Alabama: <http://www.ador.state.al.us/advalorem/exemptions/exemptions.htm>
- Alaska: <http://www.dced.state.ak.us/dca/LOGON/tax/tax-exemptions.htm>
- Arizona: Article 9 Section 2.0, 2.1, 2.2, 2.3 http://www.azleg.gov/FormatDocument.asp?inDoc=/const/9/2_1.htm
- Arkansas: <http://www.veterans.arkansas.gov/benefits.html>
- California: California Property Tax: An Overview 2009 p. 7-8, Betty T. Yee, Sen. George Runner, Michelle Steel, Jerome E. Horton, John Chiang and Kristine Cazadd <http://boe.ca.gov/proptaxes/pdf/pub29.pdf>
- Colorado: <http://www.military.com/benefits/content/veteran-state-benefits/colorado-state-veterans-benefits.html> http://jeffco.us/assessor/assessor_T80_R62.htm
- Connecticut: <http://www.cga.ct.gov/2008/rpt/2008-R-0005.htm> <http://www.military.com/benefits/content/veteran-state-benefits/connecticut-state-veterans-benefits.html>
- Delaware: <http://finance.delaware.gov/publications/proptax/propmain.shtml>
- Florida: <http://dor.myflorida.com/dor/property/taxpayers/exemptions.html>
- Georgia: <https://etax.dor.ga.gov/ptd/adm/taxguide/exempt/homestead.aspx>
- Hawaii: http://www.hawaiipropertytax.com/Forms/HtmlFrame.aspx?mode=Content/Forms_Exemptions.htm&LMparent=237, <http://www.mauicounty.gov/FAQ.aspx?TID=94&PREVIEW=YES>
- Idaho: <http://tax.idaho.gov/i-1051.cfm>
- Illinois: Article IX Section 6 <http://www.ilga.gov/commission/lrb/con9.htm>
- Indiana: <http://www.in.gov/dlgf/2344.htm>
- Iowa: <http://www.iowa.gov/tax/taxlaw/PropertyTaxCredits.html>
- Kansas: http://kansasstatutes.lesterama.org/Chapter_79/Article_2/79-213.html
- Kentucky: <http://www.lrc.ky.gov/legresou/constitu/170.htm>
- Louisiana: <http://senate.legis.state.la.us/documents/constitution/Article7.htm#S20>. Homestead Exemption
- Maine: <http://www.maine.gov/revenue/propertytax/sidebar/exemptions.htm>
- Maryland: <http://www.military.com/benefits/content/veteran-state-benefits/maryland-state-veterans-benefits.html> <http://www.dat.state.md.us/sdatweb/exempt.html>
- Massachusetts: <http://www.massresources.org/real-estate-tax-exemptions.html>
- Michigan: http://www.michigan.gov/taxes/0,4676,7-238-43535_43538---,00.html
- Minnesota: [http://taxes.state.mn.us/legal_policy/documents/revenue_analysis_2005_2006_senate_files_hf0169\(sf0417\)_2.pdf](http://taxes.state.mn.us/legal_policy/documents/revenue_analysis_2005_2006_senate_files_hf0169(sf0417)_2.pdf)
- Mississippi: <http://www.dor.ms.gov/info/rules/homesteadexemptionrules.htm#top>; <http://www.military.com/benefits/content/veteran-state-benefits/mississippi-state-veterans-benefits.html>
- Missouri: <http://www.military.com/benefits/content/veteran-state-benefits/missouri-state-veterans-benefits.html>
- Montana: http://revenue.mt.gov/forindividuals/taxes_licenses_fees_permits/Property_Taxes/Property_Tax_Relief_Programs/reliefpt.mcpix
- Nebraska: http://www.revenue.ne.gov/PAD/legal/regs/40-Property_Tax_Exemption.html#011
- Nevada: <http://www.storeycounty.org/assessor/exemption.asp>
- New Hampshire: http://www.ci.durham.nh.us/departments/assessing_office/exemptions.html

New Jersey: <http://www.nj.gov/treasury/taxation/homestead/geninf.shtml> <http://www.state.nj.us/treasury/taxation/lpt/lptdisv.shtml>

New Mexico: <http://www.military.com/benefits/content/veteran-state-benefits/new-mexico-state-veterans-benefits.htm> <http://www.co.mckinley.nm.us/pdf/assessor%20pdf%20files/PropertyTaxExemptions.pdf>

New York: http://www.nyc.gov/html/dof/html/property/property_tax_reduc_individual.shtml#421a

North Carolina: <http://www.forsyth.cc/tax/exemptions.aspx>

North Dakota: <http://www.nd.gov/tax/misc/faq/property/proptaxrelief.html#QG1>

Ohio: http://tax.ohio.gov/divisions/communications/homestead_exemption_information.stm

Oklahoma: <http://www.tax.ok.gov/advform/TES-14.pdf>

Oregon: <http://www.oregon.gov/DOR/PTD/exemptions.shtml>

Pennsylvania: http://www.governor.state.pa.us/portal/server.pt/community/expanded_relief_for_seniors/3071 <http://www.military.com/benefits/content/veteran-state-benefits/pennsylvania-state-veterans-benefits.htm>

Rhode Island: <http://www.tax.ri.gov/forms/2011/Income/2011%201040H.pdf>

South Carolina: <http://www.sctax.org/Tax+Information/property/prop.html>

South Dakota: <http://www.state.sd.us/drr2/prospectax/property/home.htm> <http://www.military.com/benefits/content/veteran-state-benefits/south-dakota-state-veterans-benefits.htm>

Tennessee: <http://www.comptroller1.state.tn.us/pa/pdf/ElderlyDisabledBrochure.pdf> <http://www.comptroller1.state.tn.us/pa/pdf/VeteransBrochure.pdf>

Texas: <http://www.window.state.tx.us/taxinfo/proptax/exmptns.html> <http://www.military.com/benefits/content/veteran-state-benefits/texas-state-veterans-benefits.html>

Utah: <http://propertytax.utah.gov/library/pdf/forms/TC-40cy.pdf> <http://www.military.com/benefits/content/veteran-state-benefits/utah-state-veterans-benefits.html>

Vermont: <http://www.state.vt.us/tax/pdf.word.excel/forms/income/2011HI-144-web.pdf>

Virginia: http://ballotpedia.org/wiki/index.php/Virginia_Property_Tax_Exemption_for_Veterans,_Question_2_%282010%29

Washington: http://dor.wa.gov/docs/pubs/prop_tax/seniorexempt.pdf

West Virginia: http://www.state.wv.us/taxrev/97taxlaws/97tl_property.pdf

Wisconsin: <http://www.revenue.wi.gov/faqs/ise/home.html> <http://www.revenue.wi.gov/faqs/slf/ptrecred.html>

Wyoming: <http://revenue.state.wy.us/portalvbvs/desktopdefault.aspx?tabindex=4&tabid=11>

Restrictions on Local Property Taxes

Guide to Property Taxes: Property Tax Relief, 2002 p. 32-34, National Conference of State Legislatures, William T. Pound, Executive Director

Assessment Cycles

International Association of Assessing Officers Appraisal Cycles, Section 5 p. 46-47