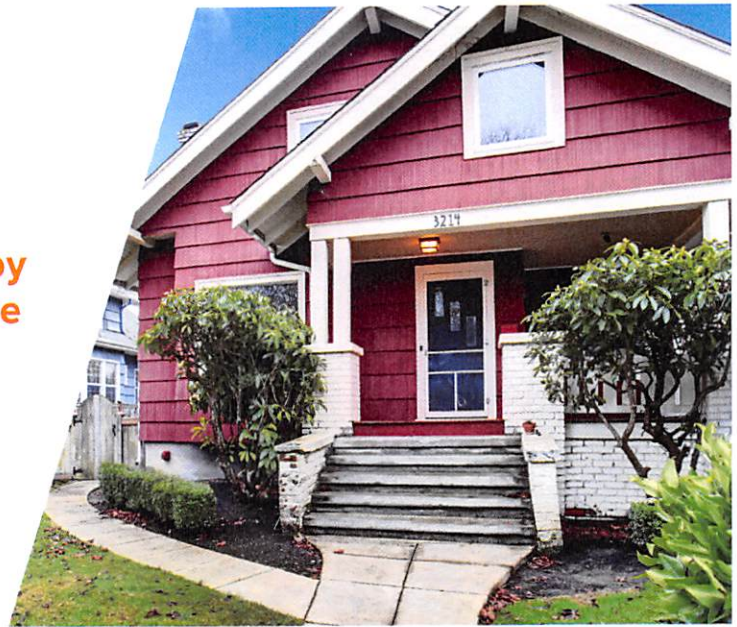
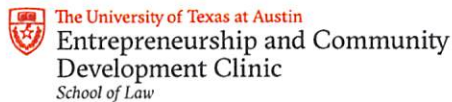


Have You Inherited Your Home?

How to Lower Your Property Taxes by Qualifying for the Full Benefits of the Homestead Exemption in Texas

WINTER 2020-21



New law unlocks property tax savings for inherited homesteads

In 2019, a new Texas law (Senate Bill 1943) opened up important property tax savings for “heir property owners” — homeowners who have inherited their primary residence. First, the new law makes it easier for heir property owners to qualify for a homestead exemption, by creating clearer and more accessible application requirements. Second, once an heir property owner has a homestead exemption in place, they can now qualify for a 100% homestead exemption when the home has co-owners, rather than a partial exemption.

Obtaining the full benefits of the homestead exemption is important because it can lower your property tax bill by hundreds or even thousands of dollars a year. For those who are age 65 or older or have a disability, the homestead exemption provides additional benefits, such as the right to pay your taxes in installments without penalties. Read below for important information on how to qualify for these important property tax savings.

What is an heir property owner?

You are considered to be an heir property owner if you inherited your primary residence (also called a “residence homestead”) by (1) will, (2) transfer on death deed, or (3) intestacy — *regardless of whether your ownership interest is recorded in the county’s real property records.*


What is intestacy?

Intestacy is the legal process that governs who inherits a home when the homeowner dies without a will or transfer on death deed. With intestacy, the legal title to the deceased person’s home passes to his or her relatives under state laws that determine who inherits the home. Under these laws, the deceased person’s spouse and children are typically first in line to inherit the home. These relatives automatically become the new owners upon the homeowner’s death. If you have inherited your home from your parents or other relatives via intestacy, it’s a best practice to create a legal paper trail documenting your ownership by filing an affidavit of heirship in the county deed records where the property is located — but this is not required to qualify for a homestead exemption.

I’m an heir property owner. How do I apply for the homestead exemption?

You’ll need to submit a Residence Homestead Exemption Application with your local county appraisal district. You can find the application on their website or reach out to them for a copy. Most appraisal districts use Texas Comptroller [Form 50-114](#). Applying is free.

In addition to the general application requirements, here are specific items you'll need to answer or provide with the application as an heir property owner:

- There's a question on the form that asks: "Is the property for which this application is submitted an heir property? Check the "yes" box.
- Below that, there's a question that asks: "Do other heir property owners occupy the property? Check the "yes" or "no" box, depending on your situation.
- Provide the following documentation for proof that you own the property:
 - a copy of the prior property owner's death certificate;
 - a copy of the property's most recent utility bill;
 - only if available: a citation of any court record relating to your ownership of the property (such as a probated will or divorce decree); and
 - an **affidavit** establishing your ownership in the property (in [Form 50-114-A](#)). 

The affidavit is located in the Texas Comptroller's [Form 50-114-A](#) and is called "Affidavit for Applicant Claiming an Ownership Interest of Property, Including Heir Property." You can ask your appraisal district for the form if you are unable to access it on the Internet. In the affidavit, you will swear before a notary that you are the owner of the property identified in the homestead exemption application.

AFFIDAVIT FOR APPLICANT CLAIMING AN OWNERSHIP INTEREST OF PROPERTY, INCLUDING HEIR PROPERTY
For Purpose of Residence Homestead Exemption Application Only

STATE OF TEXAS
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____, who, being by me duly sworn, deposed as follows:

"My name is _____ and I am applying for a residence homestead exemption. I am over 18 years of age; I am fully competent to make this affidavit; I have personal knowledge of the facts in this affidavit and all of the facts in it are true and correct. I am an owner of the real property identified in this application. I acquired the ownership of the real property identified on this application by will, transfer on death deed or intestacy; and I am not identified as an owner on a deed or other appropriate instrument recorded in the real property records of the county where the property identified in this application is located.

Further, Affiant sayeth not: _____

SUBSCRIBED AND SWORN TO before me this, the _____ day of _____, _____

Notary Public in and for the State of Texas
My Commission expires: _____

Signature of Affiant _____

Note: Appraisal districts are not allowed to require heir property owners to provide a copy of a deed, affidavit of heirship, or other proof of ownership recorded in the real property records. Texas Senate Bill 1943 changed the law to eliminate any such requirements.

- If there are co-owners of the property** who also inherited the property and occupy the property with you, they'll need to submit an affidavit authorizing you to submit the homestead exemption application. The affidavit that must be completed is also located in Texas Comptroller [Form 50-114-A](#) and is called "Affidavit for owner other than the applicant that occupies heir property as principal residence." This affidavit must be sworn before a notary.

What if I inherited my property but already have a homestead exemption?

Prior to 2020, if you inherited your property with other relatives, you were entitled to only a partial homestead exemption on the property, based on your ownership interest. For example, if you inherited your home with your three siblings and had a 25% ownership interest, you could only receive 25% of the homestead exemption tax savings.

As a result of Senate Bill 1943, you can now receive 100% of the tax savings, but you must first file an updated exemption application with your local appraisal district.

You should submit both Form 50-114 and Form 50-114-A (a few appraisal districts use their own variation of Form 50-114, however, so check first with your appraisal district about that form).

What if my homestead exemption application was rejected or I need help with an application?

Depending on your income, you may be eligible for free legal services to assist you with your application. You can find out what free legal help is available in your area at this site: <https://texaslawhelp.org/legal-help/legal-help-finder>.