

## **2023 Reduction in School Tax Ceiling (Freeze)**

Texas voters passed Proposition 1 on May 7, 2022, which amended the Constitution authorizing the legislature to provide for a reduction in the 2023 school tax ceiling (freeze) for property owners with 65 & older exemption, or those qualified disabled persons. The following information is intended to answer the top questions that are being asked of our staff.

**1. When does the freeze ceiling reduction take effect?**

- a. For the 2023 tax year; January 1, 2023.

**2. When will the freeze ceiling reduction be calculated by the Appraisal District?**

- a. Since the 2023 Compressed Maintenance & Operations (M&O) rate will not be known until July or August 2023, we will likely complete the calculations in late 2023.

**3. When will I see the changes in my property tax freeze ceiling?**

- a. Fall of 2023 when the Tax Assessor/Collector sends the 2023 tax statements.

**4. Will this generate refunds for prior years?**

- a. No. The freeze ceiling reduction begins with your 2023 tax statement.

**5. How will the amount of freeze reduction be calculated?**

- a. The amount of freeze ceiling reduction will be calculated on each eligible property.

**6. Do I need to apply for this?**

- a. No, as long as you carry the Over65 or Disabled Person exemption.

**7. Is this freeze reduction for school taxes only?**

- a. Yes. The County, College and Cities that grant a local option freeze ceiling are not included in this legislation, therefore their freeze ceilings will not be reduced.

**8. What if I qualified for the Over-65 or Disabled Person exemption after the 2018 tax year?**

- a. The freeze ceiling reduction calculation will only apply to the years the 2023 owner qualified the subject property for the freeze ceiling.

**9. Can a previous owner for tax years 2019 to 2022 qualify for a ceiling reduction for those years?**

- a. No. The 2023 freeze ceiling will be reduced for the years the 2023 owner qualified for a ceiling.
- b. This process does not create a refund for 2022 and prior years, it reduces the tax freeze ceiling for qualified owners in 2023.

**10. Will the amount of reduction be the same dollar or percentage amount for all owners/properties that qualify for the freeze ceiling reduction?**

- a. No. The compressed M&O rate may vary from school district to school district, and the taxable value for each individual property, for each qualifying tax year, is utilized calculation.

**11. Does the Appraisal District have an estimated reduction for my property?**

- a. No. We are working with our software vendor to make the programming changes needed.
- b. We will not have the 2023 compressed M&O tax rates until July or August of 2023, and without that information we cannot complete the process of calculating your freeze ceiling reduction.