

SUBJECT: Extending late applications deadlines for disabled veterans tax exemptions

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — D. Bonnen, Y. Davis, Bohac, Darby, E. Johnson, Murphy, Murr, Raymond, Shine, Springer, Stephenson

0 nays

WITNESSES: For — (*Registered, but did not testify:* Julia Parenteau, Texas Association of Realtors; Russell Hayter)

Against — (*Registered, but did not testify:* Adam Cahn, Cahnman's Musings)

BACKGROUND: Tax Code, sec. 11.431 requires the chief appraiser to accept an application for a resident homestead exemption, including an exemption for a disabled veteran, the surviving spouse of a disabled veteran, or the surviving spouse of a member of the armed forces killed in action, after the deadline if it is filed within one year of the delinquency date for taxes on the homestead.

Tax Code, sec. 11.439 requires the chief appraiser to accept an application for a disabled veterans property tax exemption after the deadline, if it is filed no later than one year after the delinquency date for taxes on the property. A tax collector is required to pay the refund within 60 days of notification from the chief appraiser that the disabled veterans exemption was approved.

DIGEST: HB 626 would extend the deadline for when a late application for certain homestead exemptions applications could be accepted to no later than two years after the delinquency date for the taxes on the homestead. The bill also would extend the deadline for when a disabled veterans property tax exemption application could be accepted to no later than five years after the delinquency date for taxes on the homestead.

The chief appraiser would be required to notify applicable tax collectors no later than 30 days after a late application for a homestead or a disabled veterans exemption was approved. A tax collector would have to pay a refund within 60 days of being notified that the chief appraiser accepted a homestead exemption.

The bill would take effect September 1, 2017, and would apply only to an application filed for the 2016 tax year or later.

**SUPPORTERS
SAY:**

HB 626 would extend the deadline to file an application for homestead or other disabled veterans tax exemptions. The current deadline of no more than one year after the delinquency date for taxes that year does not allow for enough time for individuals to document a disability, meaning that certain veterans could miss the opportunity to apply. The late application deadlines proposed by the bill would match those of other late applications for religious organization, school, and veterans organization exemptions.

**OPPONENTS
SAY:**

HB 626 would apply only to certain categories of individuals, but it would be better to apply that standard to all parties who wished to file late exemption applications.

NOTES:

According to the Legislative Budget Board, by granting certain late homestead and disabled veteran exemptions, the bill could lead to a reduction in taxable property values and an increase in related costs to the Foundation School Program through the operation of the school finance formulas.