

# FY22 Senior/Disabled Tax Exemption



# Types of Exemptions

- **Over 65/Disabled Exemption**
  - Targeted
  - Changeable
  - Evaluated Yearly
- **Over 65/Disabled Tax Freeze**
  - Targeted
  - Permanent
- **Homestead Exemption**
  - All Homeowners
  - Places More Tax Burden on Businesses



# Over 65 Tax Exemption

- Reduces the amount of taxable value eligible homeowners pay
- Current exemption \$65,000
- Current exemption equals \$323 in reduced taxes at current tax rate
- Exemption last increased in 2018
- For every \$5,000 increase in exemption, eligible homeowners will pay \$25 less in taxes at current tax rate
- For every \$5,000 increase in exemption, non-eligible homeowners will pay \$2.80 more in taxes at current tax rate
- At current exemption level of \$65,000, non-eligible homeowners pay \$36 more in taxes per year at current tax rate



## City of McKinney Over 65 Property Tax Exemption Increase FY23 Estimate

**Current Number of Property Exemptions: 8,933**  
**Current Over 65 Tax Exemption: \$65,000**

**FY23 Estimated Property Exemptions: 9,290**

McKinney Population Makeup	FY18	FY22 Actual	% Change
Total Population	179,804	206,654	15%
Single Family Res (excludes Over 65)	47,773	55,238	16%
Over 65 Exemptions	7,147	8,933	25%
Total Percent of Over 65	13%	14%	

FY23 Estimated Impact						
Exemption Amount	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000
Total Exempted Value	\$ 584,470,942	\$ 630,922,542	\$ 677,374,142	\$ 723,825,742	\$ 770,277,342	\$ 816,728,942
Tax Revenue Exempted	2,908,649	3,139,818	3,370,986	3,602,155	3,833,324	4,064,492
Increase in Exempted Revenue		231,169	462,337	693,506	924,675	1,155,844

**FY23 Estimated Taxable Value: \$411,719**

**FY22 Estimated Market Value: \$374,290**

Estimated Impact of Over 65 Freeze	FY23	FY24	FY25	FY26	FY27	FY28
Total Over 65 Value Current Year	\$ 3,825,001,260	\$ 4,375,801,442	\$ 5,005,916,849	\$ 5,466,461,199	\$ 5,855,673,237	\$ 6,272,597,171
Total Over 65 Value Previous Year + New	\$ 3,477,273,873	\$ 3,630,273,923	\$ 3,805,305,981	\$ 4,005,542,655	\$ 4,224,201,103	\$ 4,458,428,032
Value Exempted	347,727,387	745,527,518	1,200,610,868	1,460,918,544	1,631,472,134	1,814,169,139
Exempted Revenue at Current Rate	1,730,483	3,710,155	5,974,900	7,270,334	8,119,103	9,028,303



# Preliminary Taxable Valuation

- **Existing Valuation**
  - Preliminary Increase of 9.8% on Existing Property
    - Aggregate estimate – further breakdown to come from CCAD by July 25<sup>th</sup>
- **New Construction**
  - Preliminary Addition of 3.3% in New Property
    - Total Preliminary Value of New Construction – \$867.4 Million
    - Aggregate estimate – further breakdown to come from CCAD by July 25<sup>th</sup>
- **2022 Average Homestead Market Value**
  - Preliminary Average of \$492,000
- **Any Change to Current Exemption Must be Adopted by July 1**



## Current Exemptions of Collin County Cities

	<u>Over 65/Disabled</u>	<u>Tax Freeze</u>	<u>Homestead</u>	<u>Tax Rate</u>
Allen	\$50,000	No	None	\$ 0.470000
Carrollton	\$60,000	No	20%	\$ 0.582500
Dallas	\$107,000	No	20%	\$ 0.773300
Frisco	\$80,000	No	10%	\$ 0.446600
Garland	\$56,000	No	10%	\$ 0.756965
McKinney	\$65,000	No	None	\$ 0.497655
Plano	\$40,000	Yes	20%	\$ 0.446500
Richardson	\$100,000	No	None	\$ 0.615160
Wylie	\$30,000	Yes	None	\$ 0.643751

