

HOME FINANCING, SIMPLIFIED

Texas Property Taxes: Buyer Quick Guide

Why the current owner's tax bill may not be the best estimate of what a new buyer will pay.

Start with the taxing entities

- A Texas property can be subject to multiple taxing jurisdictions such as county, city, school district, hospital district, or special districts.
- Always verify the property with the applicable appraisal district and tax offices rather than relying only on a listing.

Exemptions can change the picture

- Homestead, over-65, disabled-person, and disabled-veteran exemptions can materially change the current owner's tax bill.
- An exemption belonging to the seller may not apply to the buyer after the property changes hands.

For mortgage planning

- Lenders may use an estimated future tax amount when the current bill is unusually low because of exemptions or incomplete assessment.
- The escrow amount collected at closing and the eventual tax bill can differ as tax authorities update ownership and exemptions.

Buying a specific Texas property?

Verify the taxing jurisdictions and exemptions before relying on the seller's current tax amount for your payment estimate.

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