

GAP Redevelopment Plan LCRA/Chapter 99 Abatement RESIDENTIAL EXAMPLE

You own a home located within the Grant Avenue Parkway Redevelopment Area that is valued at about \$100,000. You decide to invest about \$50,000 into a home renovation or improvement. The charts below explain the change in property tax rate you might expect from that improvement and how applying for LCRA program might impact you.

| | Prior to Renovation | After Renovation (Year 1) |
|--|---------------------|---------------------------|
| Appraised Value | \$ 100,000 | \$ 150,000 |
| Assessed Value <small>(19% of appraised value)</small> | \$ 19,000 | \$ 28,500 |
| Total Tax Levy* | \$ 5.4612 | \$ 5.4612 |
| Estimated Real Property Tax | \$ 1,037.63 | \$ 1,556.44 |

Change in Value following Reassessment (every other year): 3%

**Per \$100 of assessed valuation. Levies set annually and are subject to change.*

Start of 10-year abatement period. Taxes on the increased assessed valuation are abated while owner continues paying taxes on the initial assessed valuation (prior to renovation).

End of 10-year abatement period. Owner resumes payment of taxes on the full assessed value.



In this example, if you applied for Chapter 99 real property tax abatement, the assessed value of your home would be frozen the level prior to renovation. You could save approximately \$6,100 in real property taxes on your residential property over a 10-year period.