

Property Taxes on Farms and Ranches could be Reduced with Productivity Appraisal

Texas farmers and ranchers can be granted property tax relief on their land. They may apply to the Frio Appraisal District for agricultural productivity appraisal and for a lower appraisal based on typical production, versus market value.

The Texas Constitution authorizes two types of agricultural productivity appraisals, 1-d-1 and 1-d, named after the section in which they were authorized. For 1-d-1 appraisal, property owners must use the land for agriculture or timber and the land's use must meet the degree of intensity generally accepted in the area. Owners must also show the land was used for this purpose at least five of the preceding seven years. 1-d-1 appraisal does not restrict ownership to individuals and does not require agriculture to be the owner's primary business. Most land owners apply for the 1-d-1 appraisal.

Under 1-d appraisal, the land must have been used for this purpose at least three years and the owner must be an individual versus a corporation, partnership, agency or organization. The land must also be the owner's primary source of income.

Penalties in the form of rollback tax, or the difference between the taxes paid under productivity appraisal and the taxes that would have been paid if the land had been put on the tax roll at market value, will be imposed if qualified land is taken out of agricultural or timber production.

A rollback tax occurs when a land owner switches the land's use to non-agricultural. These rollback taxes are based on the three taxing years preceding the year of change.

Texas law allows farmers and ranchers to use land for wildlife management and still receive the special appraisal, but the land must be qualified for agricultural use in the preceding year. Land under wildlife management must also meet special use qualifications.

The deadline to apply for productivity appraisal is April 30. If the last day for the performance of an act is a Saturday, Sunday or legal state or national holiday, the act is timely if performed on the next regular business day. Owners of land qualified as 1-d must file a new application every year. Owners of land qualified as 1-d-1 need not file again in later years unless the chief appraiser requests a new application.

For more information about productivity appraisal and/or application forms, please contact the

Frio County Appraisal District

815 S. Oak Street

P.O. Box 1129

Pearsall, TX 78061-1129

or call (830) 334-4163

Or contact the Comptroller's Property Tax Assistance Division
at (800) 252-9121, ext. 3, or visit the State Comptroller's Website at
comptroller.texas.gov/taxes/property-tax