

# Texas House, Senate disagree on how to cut property taxes

State lawmakers vowed to continue cutting residents' property taxes this year after passing an \$18 billion tax relief package in 2023.

Gov. Greg Abbott has proposed spending \$10 billion of Texas' nearly \$24 billion budget surplus on the tax cuts, while drafts of the 2026-27 state budget include about \$6.5 billion to maintain existing tax cuts and enact new ones.

Yet leaders of the Texas House and Senate proposed dueling plans to cut taxes this session, following months of debate and two special sessions focused on the topic in 2023.

The two-pronged House plan would expand a tax exemption for business owners and reduce school district tax rates by about \$0.10 per \$100 of taxable property value. According to the legislation, school districts would receive money from the state to ensure they do not lose revenue by reducing their tax rates.

State senators are backing a plan to raise tax exemptions on Texans' homes by \$40,000. The current homestead exemption is \$100,000 for most homeowners, and \$110,000 for seniors and people with disabilities.

Rep. Morgan Meyer, R-University Park, who authored the House proposals, said lawmakers have made "a commitment to give the taxpayers their money back" through tax cuts.

## House Bill 8

- Would lower school district tax rates, which impact all taxpayers
- Advanced out of a House committee on March 10

## House Bill 9

- Would exempt up to \$250,000 of business' personal property, including equipment and vehicles, from taxation
- Property worth \$2,500 or less is currently exempt
- Would require voter approval in November
- Passed by the House on April 3

## Senate Bill 4

- Would expand tax exemptions for homeowners
- Would save the average homeowner \$363 annually
- Would require voter approval in November
- Passed by the Senate on Feb. 13

SOURCE: TEXAS LEGISLATIVE ONLINE/COMMUNITY MONEY