

## GENERAL FAQ's

### How can I change my mailing address? Can you change my mailing address by phone?

Address request changes must be in writing, indicating the new mailing address for your property and a daytime phone number where you can be reached, in case we have any questions. Address forms are available through the MCAD Customer Service Department and may be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have an address form mailed to you by calling our Customer Service Department at 254-752-9864. Also, an address form can be found on the "[Forms](#)" link of our website.

\* To protect the interest of the property owner, it is MCAD's policy not to make address changes over the telephone.

### What is meant by the word "improvement" that appears on my notices?

Improvement means:

- a. A building, structure, fixture, or fence erected on or affixed to land; or
- b. A transportable structure that is designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

### How did the McLennan County Appraisal District arrive at my value?

By utilizing comparable sales, income, and/or cost data, a MCAD appraiser applied generally accepted appraisal techniques to derive a value for your property.

### Why am I receiving appraisal notices from two counties?

If your property boundaries span more than one county you will receive appraisal notices from each county's appraisal district.

### What is the McLennan County Appraisal District's role in the tax system?

There are three main parts to the property tax system in Texas:

- An appraisal district in each county sets the value of property each year.
- An Appraisal Review Board settles disagreements between property owners and the appraisal district about property values and exemptions; they also make determinations on challenges initiated by taxing units.
- Local taxing units, which include the county, city, school district, and special districts, decide how much money they will spend. This, in turn, determines the total amount of taxes that property owners must pay.

## Who sets the tax rates?

The governing body (such as a city council, school board, county commissioner's court, etc.) of each taxing entity sets the rates for their jurisdiction. The taxing units decide what services they will provide in the coming year and how much revenue they will need to provide those services. Each taxing unit adopts a tax rate that will raise the needed tax dollars.

## What are the taxes on this property? How much are my taxes?

The McLennan County Appraisal District does not levy taxes, set the tax rate, or collect any taxes. The appraisal district does not capture the amount of taxes on any property. You must call the McLennan County Tax Office at 254-757-5130 for that information.

## Are property taxes based on a percentage?

No. As required by state law, they are based on 100% of the fair market value of your property.

## Who are the Board of Directors?

The Board of Directors of the McLennan County Appraisal District is comprised of five members and one "ex officio" member who govern the operation of the appraisal district by setting policies, adopting a budget, approving contracts, etc. The County Tax Assessor/Collector, by law, serves as the ex officio member of the Board. The remaining five members must meet eligibility requirements. To be eligible to serve on the Board of Directors, the individuals must be a resident of the district and have resided in the district for at least two years immediately preceding taking office. Board members serve two-year terms beginning on January 1 of even-numbered years.

## How is the Board of Directors chosen?

The governing bodies of all taxing units within the district select the appraisal district's directors. If the governing bodies do not select the county tax assessor-collector as a director, the county tax assessor-collector (if he or she collects the county's taxes) serves as a non-voting director.

## How is an appraisal district funded?

Each taxing unit located in the appraisal district pays its pro-rata share of the MCAD budget. Each taxing unit's share is based on the amount of taxes levied by that unit compared to the total taxes levied by all units in the district.

## How are the Appraisal Review Board (ARB) members appointed?

ARB members are appointed by the McLennan County Local Administrative District Judge.

## What qualifications must an individual meet to serve on the ARB?

An individual must be a resident of the appraisal district for two or more years before taking office. No special requirements are necessary. An individual may not serve if he or she is an appraisal district director or an employee or officer of an appraisal district, tax office, or Comptroller's office. Also, an individual is ineligible to serve in counties having a population of more than 100,000 until the fourth anniversary of the date the person ceased to serve as a member or officer of a taxing unit for which the appraisal district appraises property or if the person has ever appeared before the review board for compensation. Finally, an individual cannot serve if he or she is closely related (second degree by blood or marriage) to an individual paid as a tax agent or is in the business of appraising property for tax purposes in the appraisal district. ARB members may not contract with the appraisal district or with a taxing unit in the district. This includes the member or a business entity in which the member has a substantial interest.

## I don't want my information available on the district website. How do I get it removed?

Texas Tax Code §25.025 permits certain persons to request that the appraisal district restricts from public access any information that could be used to identify their home address. The form and qualifications can be found [here](#).

## What kinds of property are taxable?

The Texas Property Tax Code requires that all property is taxable unless the state legislature has passed laws to exempt it. Houses, mobile homes, lots, acreage, commercial buildings, apartments, oil and gas reserves, industrials, utilities, and business inventory and equipment are all taxable.

## EXEMPTION FAQ's

### What exemptions are available?

- General Residential Homestead
- Over-Age 65
- Over-55 Surviving Spouse of an Over-Age 65 Spouse
- Service-Connected Disabled Veteran
- Disabled Property Owner
- Disabled Veteran Homestead
- Surviving Spouse of First Responder Killed in the Line of Duty

Religious, Charitable, and Freeport Exemptions are also available. For details on each of these exemptions, see the [Exemptions](#) page on our website. Other special circumstance applications such as the Over 65/Disabled Tax Deferral and Special Agriculture Use Valuation forms are also available.

### How do I apply for exemptions?

Exemption applications are available through the MCAD Customer Service department and may be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have an application mailed to you by calling our Customer Service Department at 254-752-9864. Also, an exemption application can be found on the "[Forms](#)" link of our website.

### Do I apply for homestead exemptions annually?

Only a one-time application is required unless a re-application is requested by the chief appraiser. A new application is required when a property owner's residence homestead is changed.

### What if I miss the deadline for filing for a General Homestead or an Over-Age 65 exemption?

You may file for a homestead up to one year from the date the taxes become delinquent. If you are 65 or older, you must apply for the exemption no later than one year from your 65<sup>th</sup> birthday.

### Can I continue to receive the residence homestead exemption on my home if I temporarily move away?

If you temporarily move away from your home, you may continue to receive the exemption if:

- You do not establish a homestead residence elsewhere,
- You intend to return to the home
- You are away less than two (2) years
- You are active in the military service or live in a facility providing services related to health, infirmity, or aging

### If I own only 50 percent undivided interest of the home I live in, do I qualify for the residence homestead exemption on the home?

Yes. However, if you qualify for a homestead exemption and are not the sole owner of the property to which the homestead exemption applies, the exemption you receive is based on the interest you own.

### How many acres can I claim as my homestead?

State law allows you to claim that portion of your land that you maintain for residential purposes, but this amount may not exceed 20 acres. Generally, one acre is maintained for homestead purposes.

### What is a homestead cap value?

Cap value applies to residential homesteads only. If this property is your residence homestead, the appraised value may not exceed the lesser of: the market value of the

property, or the sum of:

- 10 percent of the appraised value of the property for the last year in which the property was appraised for taxation times the number of years since the property was last appraised;
- the appraised value of the property for the last year in which the property was appraised; and the market value of all new improvements to the property.

### Can I claim a homestead on a mobile home if I do not own the land?

Yes. You will need to file a request for separate taxation and furnish a copy of your title on the mobile home and a Statement of Ownership and Location. Contact the Texas Department of Housing and Community Affairs (TDHCA) at (512) 475-2200, (Toll Free 1-800-500-7074) for further information regarding mobile home titles and SOL's, or visit their website: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)

### I am a disabled veteran. Am I entitled to any property tax deductions?

You may qualify for a property tax exemption if you are either (1) a service-connected disabled veteran who was disabled while serving with the U.S. armed forces or (2) the surviving spouse or child (under 18 years of age and unmarried) of a service-connected disabled veteran. You must be a Texas resident and must provide documentation from the Veteran's Administration reflecting the percentage of your service-connected disability. Your disability rating must be at least ten percent (10%).

### What is the amount of the disabled veteran's exemption?

The exemption amount that a qualified disabled veteran receives depends on the veteran's disability rating from the branch of the armed service:

Disability Rating	Exemption Amount
10% to 30%	\$5,000 from the property's value
31% to 50%	\$7,500 from the property's value
51% to 70%	\$10,000 from the property's value
71% to 100%	\$12,000 from the property's value

The disabled veteran must be a Texas resident and must choose one property to receive the exemption for all property tax purposes. The property does not have to be the veteran's homesteaded property; however, the veteran's name must appear as an owner on the property that is being claimed for this exemption.

If you are a Disabled Veteran with a service-connect disability of 100%, or being paid at 100% based on your unemployability, you may possibly qualify for a total exemption on your property known as a Disabled Veteran Homestead.

### May I file for a service-connected disabled veteran's exemption after the deadline has passed?

Yes. You may file for a service-connected disabled veteran's exemption up to one year from the date the taxes become delinquent.

### I am a disabled person. How do I qualify for a disabled person's exemption?

You are eligible for this exemption if you are unable to engage in gainful work because of a physical or mental disability. To qualify, you must meet the Social Security definition for disabled. You qualify if you receive disability benefits under the Federal Old Age, Survivors, and Disability Insurance Program administered by the Social Security Administration. Disability benefits from any other program do not automatically qualify you. To prove your eligibility, you may need to provide the appraisal district with information on disability ratings from the civil service, retirement programs, or from insurance documents, military records, or a doctor's statement.

### Is the disabled veteran's exemption the same as the disabled person's exemption?

No. To receive a *disabled veteran* exemption, you must either be a veteran who was disabled while serving with the U.S. armed forces or the surviving spouse or child (under 18 years of age and unmarried) of a disabled veteran or of a member of the armed forces who was killed while on active duty. To qualify for a *disabled person* exemption, you must be unable to engage in gainful work because of physical or mental disability. If you receive disability benefits under the federal Old Age, Survivors, and Disability Insurance Program administered by the Social Security Administration, you will qualify for the disabled person exemption.

### Do all homes qualify for homestead exemptions?

No. Only a homeowner's principal residence qualifies. To qualify, a home must meet the definition of a residence homestead: The home's owner must be an individual (for example, not a corporation or other business entity) and use the home as his or her principal residence on January 1 of the tax year. If you are over age 65, the January 1 ownership and residency are not required for the year you turn 65.

### Is it true that once I become 65 years of age, I will not have to pay any more taxes?

No. That is not necessarily true. The amount of the exemptions that are granted by each taxing entity is subtracted from the market value of your residence and the taxes are calculated on that "lower value". Also, when you turn 65, your taxes for the school district in which you reside are frozen at the level established during the first year of qualification for the over-age 65 exemption.

You qualify for the over-age 65 exemption on your 65<sup>th</sup> birthday. This exemption is in addition to your general homestead exemption. If we have a Texas Driver's License or Texas ID card previously on file, the over-age 65 exemption will be automatically applied.

## Do both my spouse and I have to be over 65 years of age?

No. Only one of you needs to be over 65 years of age to qualify for this exemption. Once this exemption is granted, if the qualifying spouse dies, then the exemption would remain in effect for the remaining spouse if the survivor is 55 years of age or older and has ownership in the home. The ceiling remains in effect for as long as the spouse lives in the home. The surviving spouse needs to contact the appraisal district office to continue receiving the exemption.

## What is the over-65 tax or disabled person tax ceiling?

If you qualify your home for an over-age 65 exemption or a disabled person homestead exemption for school taxes, the school taxes on that home cannot increase as long as you own and live in that home. The tax ceiling is the amount the owner pays in the year that he or she qualified for whichever exemption was applied for. The school taxes on that home may go below the ceiling, but the school taxes will not be more than the amount of the ceiling. If the homeowner improves the home (other than normal repairs or maintenance), the tax ceiling is adjusted for the new additions. For example, if an owner adds a garage or room to the house, the tax ceiling will increase by the amount of tax attributed to the new value.

## Does the tax ceiling remain the same if the over-65 homeowner moves to another home?

No. However, the property owner that is receiving the over-age 65 exemption or the disabled person exemption may transfer the percentage of their tax ceiling to a different home in the same or another school district. The ceiling on the new home would be calculated to give the homeowner the same percentage of tax paid as the ceiling on the original home.

For example: If a homeowner currently has a tax ceiling of \$100, but would pay \$400 without the ceiling, the percentage of tax paid is 25 percent. If the homeowner moves to another home and the taxes on the new homestead would normally be \$1,000 in the first year, the new tax ceiling would be \$250 or 25 percent of \$1,000.

## Agricultural-Use Appraisal FAQ's

### What land qualifies for agriculture appraisal?

The Texas Constitution permits qualified open-space land to be taxed generally at productivity value instead of market value. The legal basis for this type of special valuation called "Ag Use Open Space" or "1-d-1"

*The land must have been devoted to a qualifying agricultural use for at least five (5) of the preceding seven (7) years.*

Land under agricultural production must be specifically identified and products produced clearly stated. The land shall be described legally and physically. Physical description identifies the land in categories or classifications such as dry land cropland

or native pasture, as well as the number of acres in production. The productive capacity of the land must be described to allow for measurement of agricultural production intensity.

If the land is located within the boundaries of a city or town, one of the following requirements must be met in addition to the normal requirements: The city must not provide the land with general services comparable to those in other parts of the city having similar features and population and/or must have been devoted principally to agricultural use continuously for the preceding five years.

*Applications must be made on an acceptable form after January 1<sup>st</sup> and before May 1<sup>st</sup> of the tax year. If May 1 falls on a weekend or holiday, the next working day is the deadline. Applications received after the deadline will be accepted until the appraisal roll is certified. If approved, late applications will be subject to a penalty of ten percent (10%) of the difference between the amount of the tax imposed on the property at agriculture value (1-d-1) and the amount that would be imposed if the property were taxed at market value. See the Agricultural Valuation Policies Link for more details.*

Agricultural-Use applications are available through the MCAD Customer Service Department and may be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have an application mailed to you by calling our Customer Service Department at 254-752-9864. Also, the ag-use application can be found on the "[Forms](#)" link of our website.

### What are rollback taxes and how are they triggered?

Under 1-d-1 agriculture use, a rollback is triggered by a physical change in use. Reduced intensity of use would not trigger a rollback, but ceasing all agricultural activity would. Taxes are recaptured for the five years preceding the year of change.

The rollback tax is imposed on the difference between the taxes imposed on the land for each of the five years preceding the year in which the change of use occurs and the tax based on the market value in each of those years, plus interest at an annual rate of seven percent (7%) calculated from the dates on which the differences would have become due.

### What happens if land receiving agricultural appraisal changes to a non-agricultural use?

If land receiving agricultural appraisal changes to a non-agricultural use, the property owner who changes the use will owe a rollback tax. The rollback tax is due for each of the previous five years in which the land got the special appraisal. The rollback tax is the difference between the taxes paid on the land's agricultural value and the taxes paid if the land had been taxed on its higher market value. Plus, the owner pays seven percent (7%) interest for each year from the date that the taxes would have been due. For example, the fifth year of rollback tax bill may include as much as thirty-five percent (35%) interest, depending on the date the use changed.

### What is the time frame for filing an application for special agriculture use valuation?

Applications must be made on an acceptable form after January 1<sup>st</sup> and before May 1<sup>st</sup> of the tax year. If May 1 falls on a weekend or holiday, the next working day is the deadline. Applications received after the deadline will be accepted until the appraisal roll is certified. If approved, late applications will be subject to a penalty of ten percent (10%) of the difference between the amount of the tax imposed on the property at agriculture value (1-d-1) and the amount that would be imposed if the property were taxed at market value.

## PROPERTY APPRAISAL FAQ's (Residential and Commercial)

### How often does the McLennan County Appraisal District value my property?

The appraisal district must repeat the appraisal process for each property in the district at least one time every three years, or every year as the market dictates.

### What is a General Real Estate Rendition?

A statement listing your taxable real property and the name and address of the property owner. You may list any buildings or improvements (such as a swimming pool) that may be located on the property. The statement should contain an owner's estimate of the property's value for both the land and the improvements. The deadline for filing this rendition is after January 1<sup>st</sup> and by April 15<sup>th</sup>. If the deadline falls on a weekend or holiday, the deadline is extended to the next business day.

A General Real Estate Rendition is an option that can be utilized by the property owner but is not required by state law on real properties.

Rendition forms are available through the MCAD Customer Service Department and may be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have a rendition form mailed to you by calling our Customer Service Department at 254-752-9864. Also, the rendition forms can be found on the "[Forms](#)" link of our website.

*\*This rendition is different from the Business Personal Property Rendition. Please see the explanation in the [Business Personal Property Renditions](#) section of FAQ's.*

### What are the advantages of filing an annual general real estate rendition form?

Filing a general real estate rendition form allows you to exercise your rights as a taxpayer. Your correct mailing address is on record, so taxing units will send the tax bills to the right address. Your opinion of the property's value is on record with the appraisal district.

If your property is appraised by more than one appraisal district, you should file a rendition in each appraisal district office. This situation can occur when your property is located in a taxing unit that reaches into a neighboring county. The appraisal districts

will send you a notice with their addresses if this occurs.

## What is the deadline for filing a general rendition form?

You must file a rendition with the appraisal district after January 1 and no later than April 15. This rule applies to both types of rendition forms.

Rendition forms are available through the MCAD Customer Service Department and may be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have a rendition form mailed to you by calling our Customer Service Department at 254-752-9864. Also, rendition forms can be found on the [“Forms”](#) link of our website.

## Why did my value change?

When an area is selected for reappraisal, value changes may occur for several reasons:

- Due to market conditions, rising or falling real sales/values;
- The correction of the database, such as a change in square footage, a pool not previously accounted for, or a correction of property characteristics;
- A value may be changed for equalization purposes.

## Why are you inspecting my property?

To make accurate appraisals on every property in our jurisdiction, it is necessary to visit them periodically to ensure that the data used in making the appraisal is correct. For instance, since we last visited your home:

- The condition of the structure could have changed;
- The appraisal district could have received a copy of a building permit indicating that a room was being added, the house was being remodeled, or some amenity such as a pool or detached garage was being added to or removed from the property.

## What is fair market value?

Fair market value means the price at which a property would transfer for cash or its equivalent under prevailing market conditions if:

- a. Exposed for sale in the open market with a reasonable time for the seller to find a purchaser;
- b. Both the seller and purchaser know of all the uses and purposes to which the property is adapted and for which it is capable of being used and of the enforceable restrictions on its use; and
- c. Both the seller and purchaser seek to maximize their gains and neither is in a position to take advantage of the other.

## Can someone come and look at my property?

The appraisal district will look at your property at your request under certain restrictions. If an on-site inspection is required, the appointment will be during normal working hours. An inspection request during the Appraisal Review Board process would be difficult because of time and staffing constraints. However, if time permits, an inspection may be scheduled.

### Is my house ever depreciated?

Yes. But increases in the value due to market conditions may offset the depreciation from increasing age.

### How do you arrive at a value on a house?

The house is measured, classified, and depreciated according to its observed condition and age. The market value is based on sales of similar properties.

### My house was not finished on January 1, how do you appraise it?

The improvement is added to the appraisal roll at the percent of completion as of January 1<sup>st</sup> of the tax year.

### My house is 30 years old. Is that taken into consideration?

Yes. Age, size, condition, quality, and type of construction of the house/improvements are all taken into consideration.

## BUSINESS PERSONAL PROPERTY FAQ's

### What is business personal property?

Business Personal Property is anything that is not real property used to generate income. Business personal property includes furniture, fixtures, equipment, (office and shop), tools, machinery, computers, copiers, motor vehicles, aircraft, inventory held for sale on consignment, raw materials, goods in process, finished goods, and/or those awaiting sale or distribution must be rendered.

### Is leased equipment taxable?

Yes. It is taxable to the owner of the property as of January 1 of the tax year.

### What is a Confidential General Personal Property Rendition?

All business owners are required by law to report or render their business use assets to the appraisal district annually. The rendition should include all assets, inventories, supplies, furniture, fixtures, equipment, (office and shop), tools, machinery, computers, copiers, motor vehicles, aircraft, inventory held for sale on consignment, raw materials, goods in process, finished goods and/or those awaiting sale or distribution must be rendered as of January 1<sup>st</sup> of each year. If you fail to timely file a rendition or other property report required by Texas law, the chief appraiser must impose a penalty in an

amount equal to ten percent (10%) of the total taxes due on the property for the current year.

## Am I required to file a business personal property rendition form?

Yes. State law requires that all business owners file a business personal property rendition annually.

If you fail to timely file a rendition or other property report required by Texas law, the chief appraiser must impose a penalty in an amount equal to ten percent (10%) of the total taxes due on the property for the current year.

## What kinds of property must be rendered?

For taxation purposes, all property is classified as either *Real Property* (land, buildings, and other attachments to land) or *Personal Property* (Items used in the production of income and/or providing a service). Personal property includes furniture, fixtures, equipment, (office and shop), tools, machinery, computers, copiers, motor vehicles, aircraft, inventory held for sale on consignment, raw materials, goods in process, finished goods, and/or those awaiting sale or distribution must be rendered.

## How can a rendition form be obtained?

The appraisal district mails rendition forms to businesses currently listed on the appraisal district's records. If a business owner does not receive a form, it is the business owner's responsibility to contact the McLennan County Appraisal District Business Personal Property Department at 254-752-9864 or via email to the general personal property email address: [pp@mclennanad.org](mailto:pp@mclennanad.org)

Rendition forms are also available through the MCAD Customer Service Department and may be picked up between 8:00 AM and 5:00 PM, Monday through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have a rendition form mailed to you by calling our Customer Service Department at 254-752-9864. Also, the rendition form can be found on the "[Forms](#)" link of our website.

## Can the appraisal district request additional information after receiving a rendition?

Yes. The chief appraiser may request, either in writing or by electronic means, that the property owner provide a statement containing supporting information indicating how the value rendered was determined. (Section 22.01 (a) (5) of Texas Property Tax Code)

The statement must:

- a. Summarize information sufficient to identify the property, including:
  - 1) The physical and economic characteristics relevant to the opinion of value, if appropriate; and
  - 2) The source of the information used;
- b. State the effective date of the opinion of value; and

- c. Explain the basis of the value rendered. If the property owner is a business with 50 employees or less, the property owner may base the estimate of value on the depreciation schedules used for federal income tax purposes.

The property owner shall deliver the statement to the chief appraiser, either in writing or by electronic means, not later than the 21<sup>st</sup> day after the date the chief appraiser's request is received. The owner's statement is solely for informational purposes and is not admissible in evidence in any subsequent protest, suit, appeal, or any other proceeding under this title involving the property other than:

- a. A proceeding to determine whether the property owner has complied with this section;
- b. A proceeding under Section 22.29(b) of the Texas Property Tax Code; or
- c. A protest under Section 41.41 of the Texas Property Tax Code.

A statement provided under this section is confidential information and may not be disclosed, except as provided by Section 22.27 Texas Property Tax Code.

Failure to comply with this section in a timely manner is considered to be a failure to timely render under Section 22.01 of the Texas Property Tax Code, and penalties, as described in Section 22.28 of the Texas Property Tax Code, shall be applied by the chief appraiser.

### [My business has an aggregate value less than \\$20,000. Must I do all of this complicated form?](#)

A rendition statement of a person who owns tangible personal property used for the production of income that, in the owner's opinion, has an aggregate value of less than \$20,000 is required to contain only:

- a. The name and address of the property owner;
- b. A general description of the property by type or category;
- c. The physical location or taxable situs of the property, and
- d. The property owner's good faith estimate of the market value of the property, or at the option of the property owner, the historical cost when new, and the year of acquisition of the property

A person's good faith estimate of the market value of the property is solely for compliance with the requirement to render tangible personal property and is inadmissible in any subsequent protest, hearing, appeal, suit, or other proceedings under this title involving the property, except in the following instances:

- a. A proceeding to determine whether the person complied and provided good faith estimate information
- b. A proceeding under Section 22.29(b) of the Texas Property Tax Code
- c. A protest under Section 41.41 of the Texas Property Tax Code

### [Are rendered business records open to the public?](#)

No. Personal property renditions are confidential and not available from open records for public inspection.

## Is it to my benefit to render my business personal property?

Yes. The age and original cost of the property are very important and may help in determining the value of the property. An appraiser may come by your property location to make an inspection and will make an estimate of your property's worth.

If you fail to timely file a rendition or other property report required by Texas law, the chief appraiser must impose a penalty in an amount equal to ten percent (10%) of the total taxes due on the property for the current year. If a court determines that a taxpayer filed a false rendition or report with the intent to commit fraud or to evade the tax or has altered, destroyed, or concealed any record, document, or thing, or presents to the chief appraiser any altered or fraudulent record, document, or thing, or otherwise engages in fraudulent conduct for the purpose of affecting the outcome of an inspection, investigation, determination, or other proceedings before the appraisal district, the chief appraiser must impose an additional penalty equal to fifty percent (50%) of the total taxes due on the property for the current year.

If the appraisal district determines that there has been omitted property left off the roll, the property will be back assessed. Additional penalty and interest may be applied.

## Is my business taxable if I operate it from my home?

Yes. All business use assets, regardless of location, are taxable.

## I own my own tools and equipment but use them in my business. Are these items taxable?

Yes. All furniture, fixtures, equipment, (office and shop), tools, machinery, computers, copiers, motor vehicles, aircraft, inventory held for sale on consignment, raw materials, goods in process, finished goods, and/or those awaiting sale or distribution that are used to produce income are taxable whether you make a profit or not.

## Can I use my bookkeeping records as my rendition?

Yes. Attach these records to the rendition, sign and date it and then return it to our office. Include asset listings with the date of acquisition and original cost. All assets owned by the business must be rendered.

## If all my business personal property has already been depreciated out according to Federal Income Tax Laws, is my business still taxable?

Yes. If your business personal property is still in use and used to generate income, your business personal property is taxable.

## May I use my Federal Income depreciation schedule?

Yes. However, you must list all other assets still in use to produce income along with its year of acquisition and original cost. Understand, MCAD has adopted the Comptroller Depreciation Schedule, depreciation may be different.

## What if I move or sell my business during the year?

The tax liability on business personal property is determined according to its location and ownership as of January 1.

## What if I close my business during the year, will my taxes be prorated?

No. The taxes will be assessed for the entire year.

## When do you file the rendition and what is the deadline?

After January 1<sup>st</sup> and not later than April 15<sup>th</sup> of each tax year.

## I have a business that is in another county. Why are you appraising my property?

The McLennan County Appraisal District covers areas outside McLennan County to serve the school district or city that elected to have the McLennan County Appraisal District appraise their properties.

## What if the Appraisal District values are higher than the amount that was rendered?

If you disagree with the Appraisal District value, you have the right to protest before the Appraisal Review Board (ARB).

## PROPERTY PROTEST FAQ's

### Why did I not receive a Notice of Appraised Value this year?

You will receive a Notice of Appraised Value if:

- You rendered your property,
- If there was a value change from the previous year,
- If there was an ownership change, or
- If the appraisal district valued your property at a value above or below the rendered value.

### How do I protest my value?

To protest an appraisal value or other issues as provided by state law, a taxpayer must file a protest by May 15<sup>th</sup>, or 30 days from the date of the Notice of Appraised Value was sent, whichever is later. If no Notice of Appraised Value was generated by the appraisal district, a protest may still be filed. The Notice of Protest need not be an official form. You can submit a letter to the McLennan County Appraisal District stating the protesting property owner's name, identifying the subject property, and indicating the reason for protesting. Protest forms are available through the MCAD Customer Service Department and may be picked up between 8:00 AM and 5:00 PM, Monday

through Friday. Our address is 315 S. 26<sup>th</sup> Street, Waco, Texas 76710. You may have a protest form mailed to you by calling our Customer Service Department at 254-752-9864. Also, the protest form can be found on the "[Forms](#)" link of our website.

## What is the Appraisal Review Board?

The Appraisal Review Board (ARB) is a group of private citizens authorized by state law to review the appraisal district's work and resolve protest disputes with taxpayers. An ARB is established for each appraisal district in the State of Texas.

## What are some helpful hints if you are dissatisfied with your appraised value?

Below are suggestions to prepare for your protest before the ARB.

- Make an appointment to talk with one of the district's appraisers to discuss the appraisal.
- Provide evidence of a hidden defect that you believe could affect the property's value. Evidence can be photographs or a statement from a builder or independent appraiser.
- Provide a copy of your property appraisal if one has been made on your property in the last 36 months. If you have financed your property, you are entitled to receive a copy of the appraisal from your lending institution.
- Consider using an independent appraisal or a fee real estate appraiser.
- Provide copies of insurance records.
- Get documents or sworn statements from any person providing any sales information or data.
- Use sales of properties that are similar to the subject property in size, age, location, and type of construction. Use sales that have occurred closest to January 1<sup>st</sup> of the tax year in question.

Most value issues can be resolved by discussing them with one of the McLennan County Appraisal District staff appraisers. Please schedule an appointment beforehand as the appraisers may be in the field or assisting other taxpayers.

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