

INSTITUTIONAL EXEMPTIONS ➤ FREQUENTLY ASKED QUESTIONS

Who is entitled to Ad Valorem Property Tax Exemption?

Qualified, not-for-profit organizations, who own and use their property for religious, literary, charitable or scientific purposes, may be entitled to exemption. Some educational institutions may also qualify.

How does an organization receive this exemption for the first time?

The organization must file form DR-504, Ad Valorem Tax Exemption Application and Return, with the Property Appraiser's Office to apply for the exemption for the first time. A separate application is required for each property. The first year's exemption is **not** automatic. Your first application may include both real estate (land and building) and tangible personal property (furniture, fixtures, equipment, etc.) on the same form.

When and where must applications be filed?

New applications must be filed in the Property Appraiser's office before March 1 of the year for which you are seeking the exemption. After the March 1 deadline, applications may be pre-filed for the following tax year.

Can the exemption be transferred from one property to another?

No. When a qualified organization moves to a new location or acquires additional property, a new application must be filed. The new property must then qualify for the exemption based on ownership and use as of January 1st.

How is the exemption on Real Estate (land and building) renewed?

The real estate exemption renewal process is automatic and a receipt acknowledging the exemption is mailed to the organization each year in January. However, if you are no longer entitled to the exemption, you are required by law to notify the Property Appraiser's office.

Are private schools eligible for exemption?

Certain private schools, Gold Seal accredited preschools, and charter schools may be eligible for exemption.

If I lease property from a for-profit organization, is the property entitled to an exemption?

No. The property must be owned by a not-for-profit organization to be entitled to exemption.

How much exemption am I entitled to?

If the entire parcel is in use for exempt purposes, you may qualify for a total ad valorem tax exemption. If the predominant use of the property is for exempt purposes, you may qualify for a partial exemption, based on a ratio of the exemption use to the nonexempt use.

*You will be responsible for any non ad valorem tax assessments, commonly known as special assessments, which may be levied on you property. These will **not** be exempt.*

How is the exemption on tangible personal property (furniture, fixtures, equipment, etc.) renewed?

The tangible personal property renewal process requires the organization to file Form DR-504 annually. Due to the nature and mobility of personal property, your annual reporting is a necessary part of the appraisal process. Each January the application form will be mailed requiring you to report the value of your tangible personal property for the current year, if over \$25,000.

THE FILING DEADLINE FOR THE YEAR YOU ARE SEEKING AN EXEMPTION IS MARCH 1