

## Homestead - 10% Cap Example

Notice of Appraised Value  
(Three Primary Values Listed)

1. **Market Value** - The value the appraiser can adjust
2. **Appraised Value** - Limited by Ag & Homestead Cap
3. **Taxable Value** - Reflects the Appraised Value minus any Exemption Amounts

Year 1                      Year 2                      Year 3                      Year 4                      Year 5

Market Value

\$ 500,000

\$650,000

\$775,000

\$720,000

\$712,085.00



In this example:  
The owner qualifies for a  
Homestead Exemption in Year 1

Appraised  
Value  
(Assessed Value)

\$ 500,000

\$550,000

\$605,000

\$665,500

The appraised (or  
assessed) value  
continues to  
increase 10% each  
year until it  
reaches market  
value.

10%

10%

10%

10%

(7% actual increase)

Taxable Value

### Example: Exemption Amounts

0.5% (off market) or \$5,000 minimum	City
1% (off market) or \$5,000 minimum	County
\$100,000	School

Year 1
\$495,000.00
\$495,000.00
\$400,000.00

Year 2
\$545,000.00
\$543,500.00
\$450,000.00

Year 3
\$600,000.00
\$597,250.00
\$505,000.00

Year 4
\$660,500.00
\$658,300.00
\$565,500.00

Year 5
\$707,085.00
\$704,964.15
\$612,085.00