An Underutilized Housing Affordability Tool:

Homestead Exemptions in Dallas County

For more information, please contact:

Joey Blatt, Director of Housing Impact, Child Poverty Action Lab

joey@childpovertyactionlab.org

CPAL CHILD POVERTY ACTION LAB

Housing affordability impacts financial stability, wealth-building opportunities, and long-term economic mobility for families.

As housing becomes more expensive, households struggle to afford other necessities and must make difficult tradeoffs between child care, medical care, transportation, and education.[1] Research shows that when low-income households are burdened with high housing costs, they spend less on food and health care and are less likely to seek medical care, leading to worse health outcomes. Children in low-income families with affordable housing score better on cognitive development tests than those in unaffordable housing.[2]

The cost of homeownership has increased for Dallas families.

Buying a home is increasingly out of reach. In 2011, the median home cost 5x the median salary in the Dallas-Fort Worth metro. By 2023, the median home cost 7.9x the median salary.[3] For existing homeowners, housing costs typically include the mortgage payment (principal plus interest), taxes, and insurance. In recent years, insurance premiums and property tax bills have surged.[4] From 2019 to 2024, property taxes rose 32.7% in Dallas County. Dallas County now has the third-most expensive property taxes among the most populous counties in the U.S.[5] Meanwhile, median household income for Dallas County homeowners increased 26.6% from 2019 to 2024.[6]

↑32.7%

increase in average property taxes for Dallas County homeowners, 2019–2024

↑26.6%

increase in median wages for Dallas County homeowners, 2019–2024

1. National Low Income Housing Coalition. "About," n.d.
2. Opportunity Starts at Home. "Education Advocates Are Housing Advocates - Opportunity Starts at Home," November 26, 2024.
3. Flores, Ashley, HR&A Advisors. "Dallas Rental Housing Needs Assessment." City of Dallas, 2024.
4. Marx, Sarah. "Rising Home Insurance Costs Are Adding Pressure for Buyers: Insurify." HousingWire, March 14, 2024.
5. "Property Tax Balloon Causing Sticker Shock for Homeowners." Cotality, January 8, 2025
6. Based on ACS 1-year estimates for median household income in the past 12 months for owner-occupied homes in 2019 and 2024.

Homeowners can reduce their property tax bill by claiming exemptions—i.e., tax breaks—such as the **homestead exemption.**

A property's tax bill is based on an assessed value made by a county appraisal district. To reduce their property tax bill, homeowners can claim property tax exemptions. The most common property tax exemption is the homestead exemption. In Texas, the homestead exemption excludes a portion of the home's value from being taxed, thus lowering the taxable value. Generally, the homestead exemption also caps the increase of taxable value at 10% year-over-year. For a home to qualify for a homestead exemption, the home's owner must be an individual or married couple, and the home must be the principal residence of that individual or couple on January 1 of the tax year.[7] Rental properties do not qualify for the homestead exemption.

There is no fee to file a homestead exemption, and filing presents relatively little risk to the homeowner.[8] Homeowners are likely to save money by filing a valid exemption. In a period of rapid property value appreciation, the homestead exemption mitigates the size of property tax increases. The homestead exemption helps homeowners retain wealth and makes homeownership more affordable over the long term.

7. Both named homeowners and resident heirs are eligible for a homestead exemption. Homeowners who are undocumented are not eligible for the homestead exemption in Texas.
8. Texas RioGrande Legal Aid. "Property Taxes and Homestead Exemptions." TexasLawHelp.org, November 8, 2023.

Example of Estimated Property Taxes

No Homestead Exemption: $246,830 Assessment

	City	School	County and School Equalization	College	Hospital
Taxing Jurisdiction	**Dallas**	**Dallas ISD**	**Dallas County**	**Dallas College**	**Parkland Hospital**
Tax Rate per $100	$0.6988	$0.993835	$0.215500	$0.106575	$0.2120
Taxable Value	$246,830	$246,830	$246,830	$246,830	$246,830
Estimated Taxes	$1,724.85	$2,453.08	$531.92	$263.06	$523.28
				Total Estimated Taxes	**$5,496.19**[9]

With Homestead Exemption: $246,830 Assessment | $117,585 Capped Value

	City	School	County and School Equalization	College	Hospital
Taxing Jurisdiction	**Dallas**	**Dallas ISD**	**Dallas County**	**Dallas College**	**Parkland Hospital**
Tax Rate per $100	$0.6988	$0.993835	$0.215500	$0.106575	$0.2120
Assessed Value	$246,830	$246,830	$246,830	$246,830	$246,830
Capped Value	$117,585	$117,585	$117,585	$117,585	$117,585
Homestead Exemption Amount	$23,517	$117,585[10]	$23,517	$23,517	$23,517
Taxable Value	$94,068	$0	$94,068	$94,068	$94,068
Estimated Taxes	$657.35	$0.00	$202.72	$100.25	$199.42
				Total Estimated Taxes	**$1,159.74**

The homestead exemption reduces the taxable value of the home. Without the homestead exemption, the homeowner owes taxes on the full $246,830. With the homestead exemption, the taxable value is reduced.

No Homestead Exemption Estimated Taxes	$5,496.19
With Homestead Exemption Estimated Taxes	$1,159.74
Savings from Homestead Exemption	**$4,336.45**

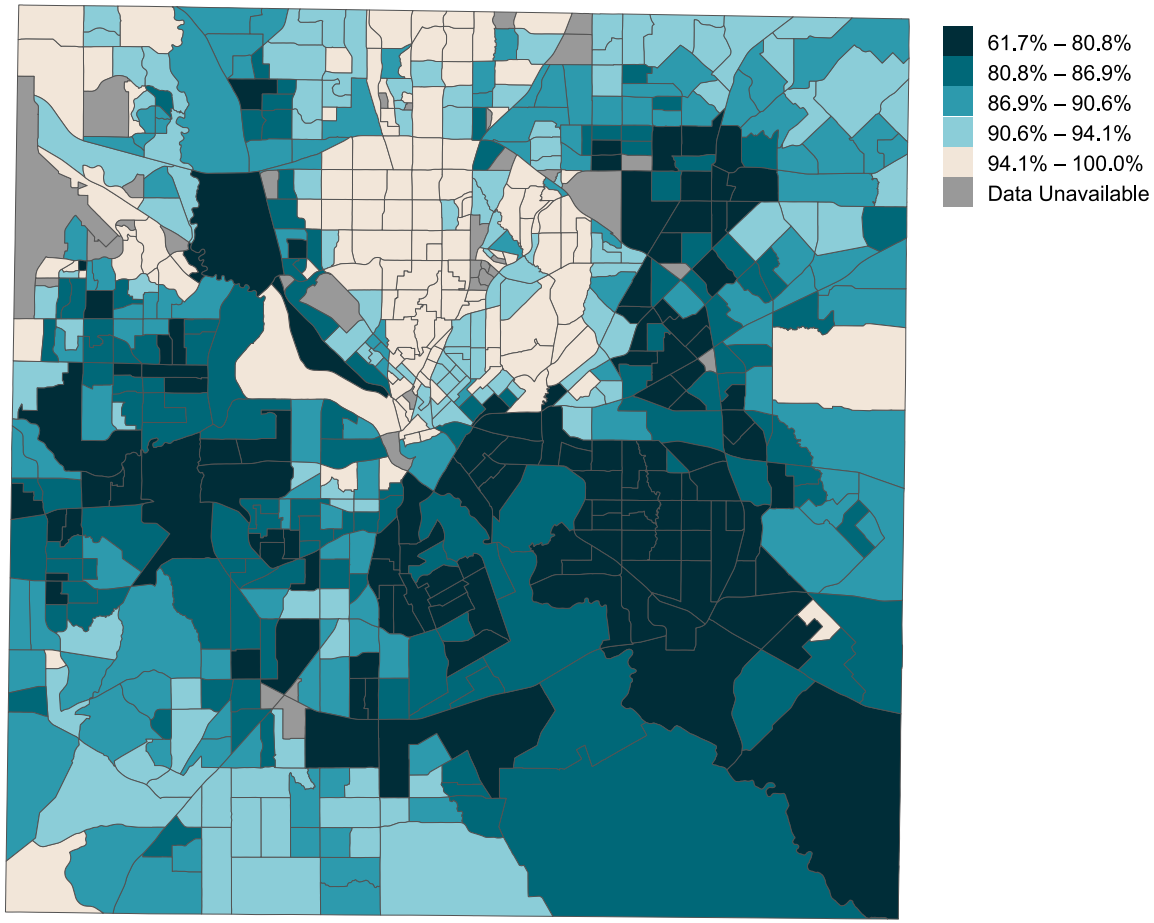
This example is pulled from a 2025 DCAD property record.

9. Numbers may not add due to rounding.
10. In November 2025, the homestead exemption for school district property taxes increased from $100,000 to $140,000. The increased exemption will apply to tax years beginning on January 1, 2025, and thereafter. In this example, the capped value is lower than the new homestead exemption amount for the school district. For this property, the homestead cap limited the increases in taxable value during a time of rapid appreciation, producing a substantial difference between the assessed and capped value. Differences between assessed and capped value will vary from property to property.

The homestead exemption is a valuable but underutilized benefit for Dallas County homeowners.

In particular, homeowners in low-income census tracts, majority Black, and majority Hispanic census tracts do not claim the homestead exemption at the same rates as homeowners in high-income census tracts and majority White census tracts.

Homestead Exemption Take-Up Rate in Dallas County by Census Tract[11]



CPAL's Process:
CPAL identified potentially eligible properties from DCAD's 2025 Certified Appraisal Roll by applying the following criteria: 1) residential properties, 2) without a homestead exemption, 3) match between owner address and property address, 4) improvement value over $0, and 5) not owned by an LLC. To further assess likelihood of owner occupancy, CPAL cross-referenced this list with a third party data source that verifies whether or not a home is owner-occupied. When homeowners claim their homestead exemption, they realize savings in the current year plus may receive up to two years of refunds if they owned and occupied the home but didn't claim their homestead exemption.
Estimated benefits discussed in this report represent savings in 2025 plus refunds for 2024 and 2023, if eligible.

11. Each shade on the map represents one of five quintiles, with each quintile containing 20% of the census tracts.

~57,000 properties within Dallas County are potentially eligible for the homestead exemption but have not yet claimed it, for an estimated total benefit of ~$310M.

INSIGHT

~40,000 properties in low-income and very low-income census tracts in Dallas County are potentially eligible for the homestead exemption but have not yet claimed it, for an estimated total benefit of ~$200M, or **~$5,000 per household.**[12]

INSIGHT

95% of eligible households in high-income census tracts claim their homestead exemption, while **81%** of households in very low-income census tracts claim their homestead exemption.

$5,000 =

5.2 months of food

3.5 months of health care

For context, $5,000 is equivalent to what a four-person household in Dallas County would spend in 5.2 months on food or in 3.5 months on health care.[13]

12. Census tracts with a median household income between 50% and 80% of the Area Median Income are considered low income. Census tracts with a median household income at or below 50% of the Area Median Income are considered very low income.
13. Based on Economic Policy Institute Family Budget Calculator for a 2-adult and 2-child household in 2026 in Dallas County. Data for 2025 is no longer available.

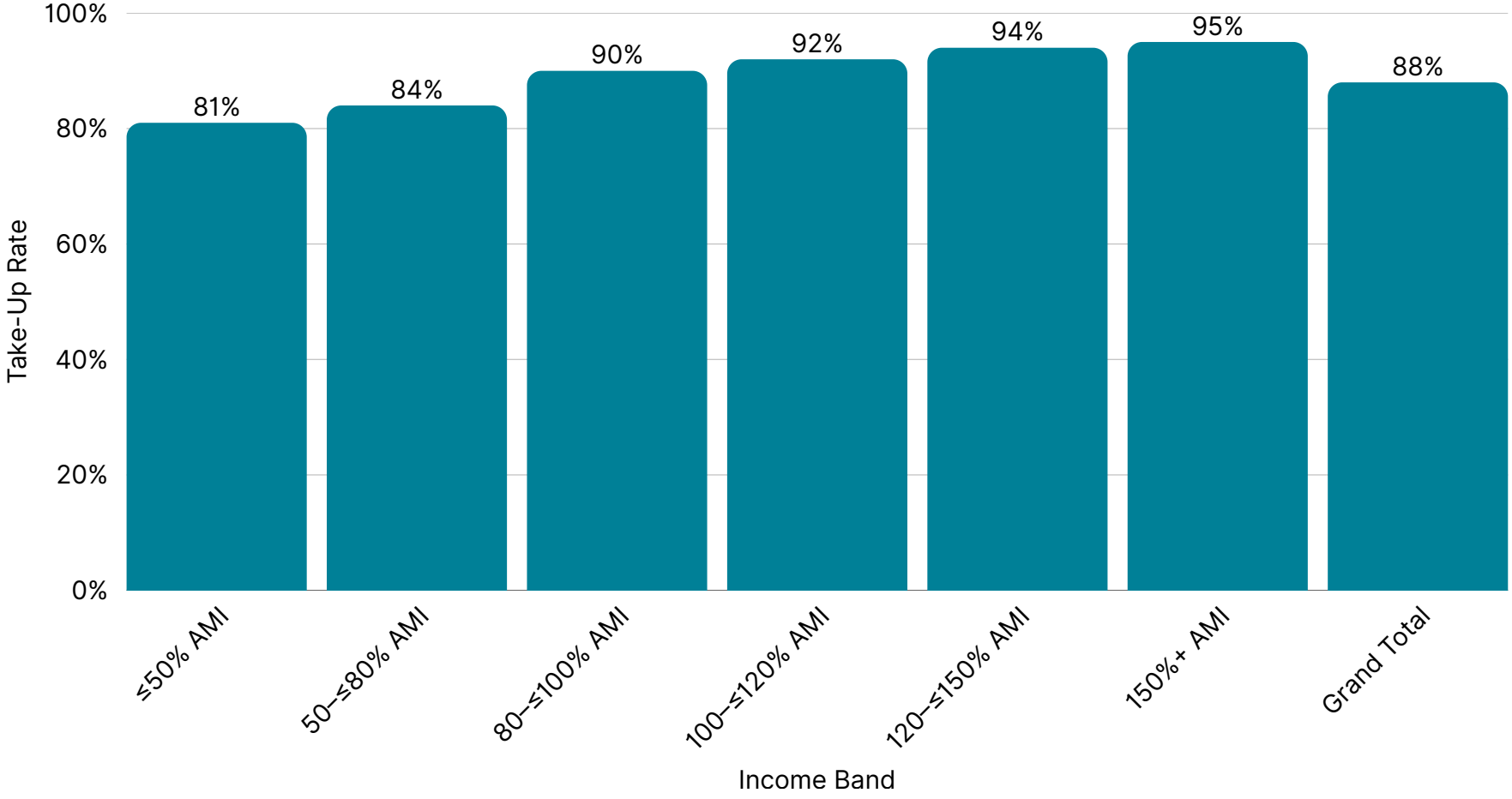
Take-up rates differ greatly between high- and low-income census tracts.

The take-up rate in census tracts with a median household income greater than 150% of the Area Median Income (AMI), or $165,450 for a household of four, in Dallas County is 95%.[14,15] The take-up rate in census tracts with a median household income at or below 50% AMI, or $55,150 for a household of four, is 81%.

Income band	# of potentially owner-occupied units	# of owner-occupied properties with homestead exemption	Take-up rate	# of potentially owner-occupied properties without homestead exemption	Non-claiming rate	Total estimated benefit	Average benefit
≤50% AMI	59,240	48,110	81%	11,130	19%	$55,399,891	$4,978
50% – ≤80% AMI	181,457	152,444	84%	29,013	16%	$144,714,437	$4,988
80% – ≤100% AMI	83,646	74,962	90%	8,684	10%	$46,652,676	$5,372
100% – ≤120% AMI	41,973	38,734	92%	3,239	8%	$20,082,114	$6,200
120% – ≤150% AMI	34,715	32,518	94%	2,197	6%	$15,612,787	$7,106
150%+ AMI	54,215	51,684	95%	2,531	5%	$27,223,802	$10,756
Grand Total	**455,246**	**398,452**	**88%**	**56,794**	**12%**	**$309,685,707**	**$5,453**

14. Area Median Income is the midpoint of a specific area's income distribution. AMI is calculated on an annual basis by the Department of Housing and Urban Development. CPAL uses the 2024 Department of Housing and Urban Development Median Family Income for a 4-person household in Dallas, $110,300 in 2024, for this analysis. Tract median household incomes from the ACS are used as reference points for AMI bands but are not household-size-adjusted determinations.
15. CPAL defines take-up rate as the number of properties claiming a homestead exemption divided by the total number of properties that are estimated owner-occupied and potentially eligible to claim their homestead exemption.

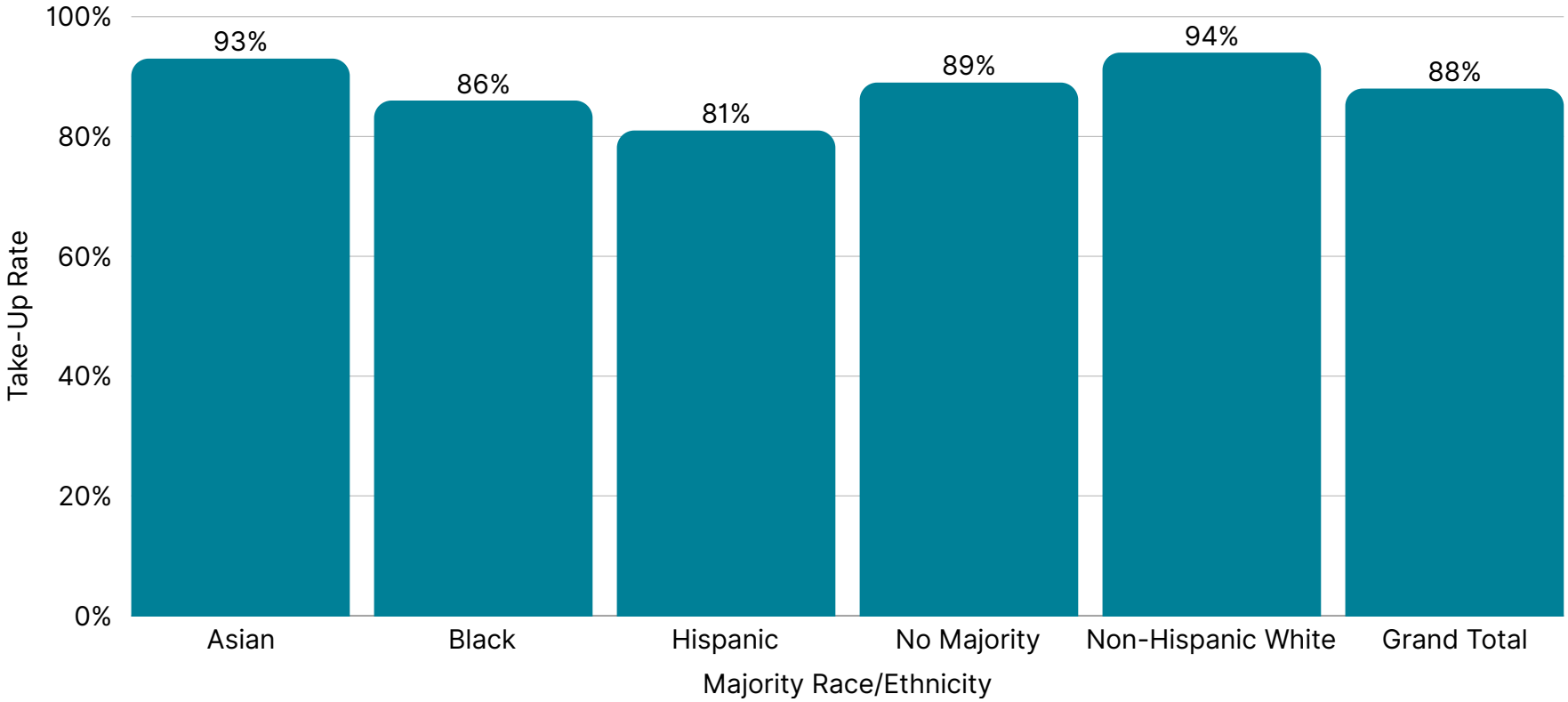
Homestead Exemption Take-Up Rate in Dallas County by Census Tract Income Band



The 81% take-up rate in majority Hispanic census tracts and 86% in majority Black census tracts lag the 94% take-up rate of majority non-Hispanic White census tracts.

Majority race or ethnicity in tract	# of potentially owner-occupied units	# of owner-occupied properties with homestead exemption	Take-up rate	# of potentially owner-occupied properties without homestead exemption	Non-claiming rate	Total estimated benefit	Average benefit
Asian	6,894	6,421	93%	473	7%	$3,127,031	$6,611
Black	51,370	44,434	86%	6,936	14%	$32,697,590	$4,714
Hispanic	136,943	110,585	81%	26,358	19%	$130,248,858	$4,942
No Majority	146,551	129,819	89%	16,732	11%	$87,561,764	$5,233
Non-Hispanic White	113,488	107,193	94%	6,295	6%	$56,050,465	$8,904
Grand Total	**455,246**	**398,452**	**88%**	**56,794**	**12%**	**$309,685,707**	**$5,453**

Homestead Exemption Take-Up Rate in Dallas County by Majority Race/Ethnicity in Tract



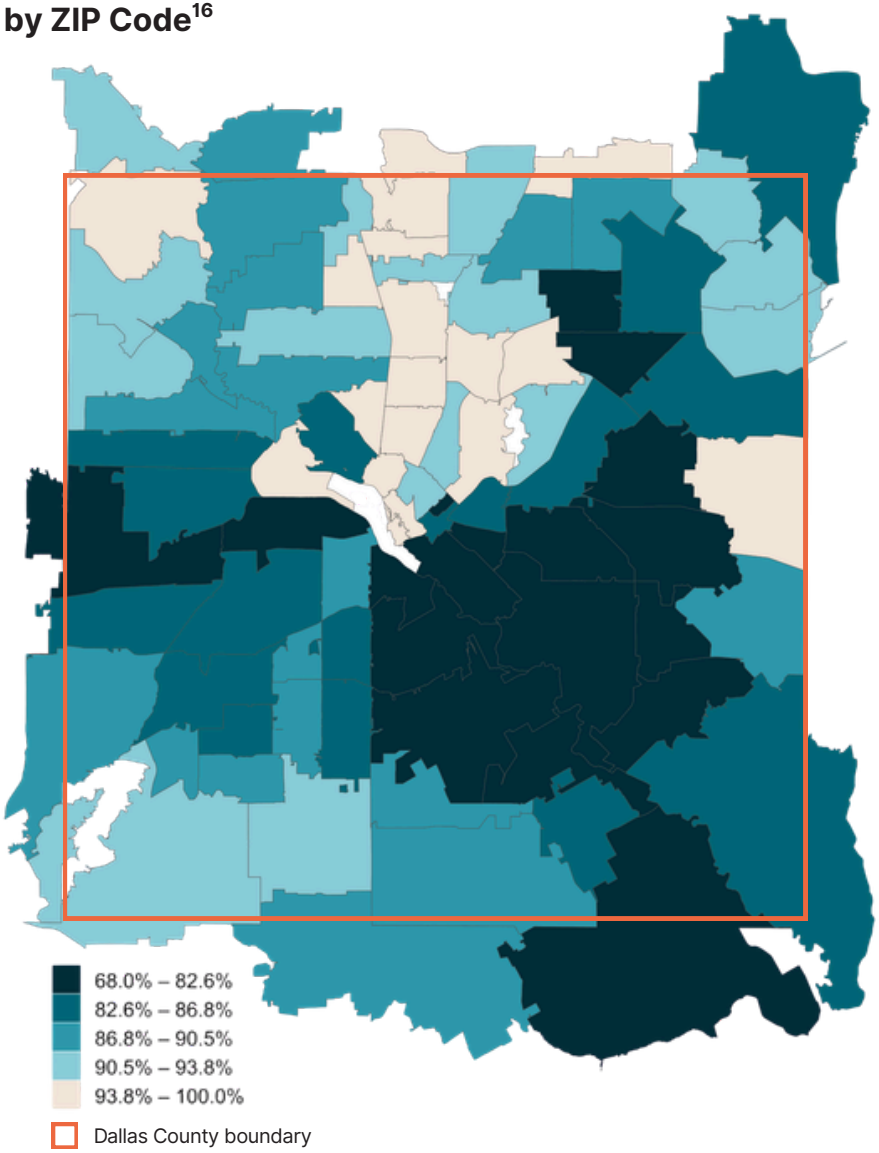
INSIGHT

~26,000 properties in majority Hispanic census tracts in Dallas County are potentially eligible for the homestead exemption but have not yet claimed it, for an estimated total benefit of ~$130M, or ~$4,900 per household.

INSIGHT

~6,900 properties in majority Black census tracts in Dallas County are potentially eligible for the homestead exemption but have not yet claimed it, for an estimated total benefit of ~$33M, or ~$4,700 per household.

Homestead Exemption Take-Up Rate in Dallas County by ZIP Code[16]



Improving take-up will require:

1. Increasing awareness that the benefit exists
2. Removing barriers to apply
3. Supporting homeowners with more complex cases

CPAL will continue to collaborate with the many community-based organizations (CBOs) helping households claim their homestead exemption.[17] CPAL has released a Parcel Block Walk Tool, a digital mapping tool to support CBOs working to identify potentially eligible homeowners in the neighborhoods they support. CPAL has also assisted organizations plan and launch efforts to help homeowners know about and apply for the homestead exemption.

TOOL

To illustrate where there is more opportunity to improve homestead exemption take-up rates, CPAL developed the **Dallas Homestead Exemption Map.** Learn more here.

16. Some ZIP codes extend outside the boundaries of Dallas County. CPAL only analyzed households within Dallas County. Take-up rates therefore only reflect the portion of a ZIP code's homes that are within Dallas County.
17. Waters, Leah. "West Dallas Nonprofit Fights Gentrification With Tax Relief Program." Dallas News, July 10, 2024.

Methodology

CPAL identified potentially eligible properties from DCAD's 2025 Certified Appraisal Roll by applying the following criteria: 1) residential properties, 2) without a homestead exemption, 3) match between owner address and property address, 4) improvement value over $0, and 5) not owned by an LLC. To further assess likelihood of owner occupancy, CPAL cross-referenced this list with a third party data source that verifies whether or not a home is owner-occupied. These properties were deemed as potentially eligible for the homestead exemption but not yet claiming it. In this analysis, CPAL counted homes with partial exemptions as homes with homestead exemptions, and, therefore, did not estimate additional benefits for homes with partial exemptions. Where an owner appeared on multiple properties, only the lowest-value property was retained.

CPAL applied tax rates and homestead exemption amounts from Dallas County taxing entities to total homestead-capped property values to calculate tax bills for 2023, 2024, and 2025. For each eligible, non-claiming property in Dallas County, CPAL estimated taxes both with and without a homestead exemption. The difference between the two tax values represents the total homestead exemption benefit, which reflects both projected savings in the 2025 tax year and potential refunds for 2023 and 2024, if applicable. CPAL referred to the property's most recent deed transfer date to determine how many refund years an eligible property may qualify for.

Available data do not include information on an individual household's demographics, such as income and race or ethnicity. Therefore, to better understand how homestead exemption take-up intersects with income, race, and ethnicity, CPAL utilized demographic data from the 2024 ACS 5-year estimates. CPAL mapped all owner-occupied residential properties, including those that claim and those that do not claim the homestead exemption, in Dallas County. CPAL then overlaid census tracts, ZIP codes, and neighborhoods to understand how homestead exemption take-up rates and projected savings vary by geography, income, race, and ethnicity. Census tracts with low residential use may have no properties claiming or eligible for homestead exemptions. For this reason, 34 Dallas County census tracts were excluded from this analysis.

Data Limitations

1. CPAL does not have demographic information, including income, race/ethnicity, or age of residents, for individual households. To explore these relationships, we used demographic data from the 2024, 5-year American Community Survey for the corresponding geography.

2. This report should not be used to draw conclusions about other property tax exemptions in Dallas County. Texas also offers senior, disabled person, disabled veteran, solar, and charitable exemptions.

3. Data represented in this tool is derived from DCAD and a third party data source. Data may include false positives (homes that are identified as potentially eligible but are not, after all, eligible) and false negatives (homes that are identified as not eligible but are, actually, eligible). All homestead exemption applications are subject to appraisal district verification, and CPAL cannot confirm individual eligibility.

4. Percentages and totals are rounded within the report; small discrepancies may occur.

Disclaimer

CPAL does not provide legal or tax advice, does not provide property tax consultant services, does not act as a homeowner's agent, and does not communicate with appraisal districts on a homeowner's behalf.

Volunteers can assist homeowners only with preparing homestead exemption applications and collecting required documentation. Volunteers should not provide legal or tax advice, should not act as a homeowner's agent, and should not communicate with appraisal districts on a homeowner's behalf. All applications and inquiries must be submitted directly by the homeowner.

Volunteers can explain form questions, help the homeowner enter their own information, and review the form for completeness. They should not opine on eligibility beyond restating the criteria found on the form and official instructions, and should not make representations to the appraisal district.

Volunteers must not accept any payment, gratuity, or benefit from homeowners. Staff may be salaried by their organizations, but organizations should not charge homeowners for these services or accept contingent or success-based fees tied to the exemption outcome.

About CPAL

At the Child Poverty Action Lab (CPAL), our mission is to reduce the child poverty rate by 50% in a single generation. We operate as an unofficial R&D department for Dallas, rethinking how data can be integrated into public systems, community programs, and neighborhood life to break cycles of intergenerational poverty. Guided by evidence, we focus on impactful strategies aligned with 'big bets' for driving economic mobility in our community: Benefits Delivery, Maternal Health, Housing, and Safety & Criminal Justice.

Between 2017 and 2024, child poverty in Dallas fell from around 28% to 19%, nearly a one-third reduction. While one in five children still living in poverty remains a serious concern, the overall seven-year trend has been meaningfully positive.

Three key principles underpin CPAL's approach:

- Design for scale: Child poverty is a problem of massive scale and requires the magnitude of government resources to fund solutions of equal scale. CPAL brings together the leaders of nine Dallas public agencies with a collective annual operating budget of over $10 billion to align local resources and take collective action on promising interventions.
- Center on evidence: CPAL develops and applies evidence-based outcomes frameworks on child poverty alleviation programs. Data is used to determine where to develop interventions and to evaluate if those interventions are working. CPAL equips our partners and community leaders to use data so they can make better decisions.
- Power with community expertise: By empowering community-based organizations, residents, families, or frontline teams with tools, resources, and access to leaders, CPAL builds a broad coalition for sustainable efforts to combat child poverty.

Acknowledgements:
CPAL would like to thank the following for their assistance on this project: Professor Heather Way from The University of Texas School of Law, Ben Martin from Texas Housers, Genevieve Hébert Fajardo from St. Mary's University School of Law, Lizbeth Parra Davila from Texas RioGrande Legal Aid, Inc., Jessica Miller from Jubilee Park and Community Center, Julia Alessandra from the City of Denton (formerly with Jubilee Park and Community Center), Shane Docherty, Cheryl Jordan, and Patricia Nixon from the Dallas Central Appraisal District, the Dallas Central Appraisal District Board of Directors, the CPAL Data and Tech teams, and all the community partners who are actively working to ensure homeowners access the Homestead Exemption.