



## Property Taxes in and Around Texas

by The Honorable  
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### Key Points

- Based on a three-year average from 2006 to 2008, Texas homeowners paid about 20 percent more in annual property taxes than the average U.S. homeowner.
- In Texas' 10 most populous counties, nearly all homeowners paid much higher property taxes than the statewide average.
- In Texas' 10 least populous counties, the average county resident paid much less in property taxes than the statewide average.

Compared to the average American, Texas homeowners face a much greater challenge when it comes to property taxes.

According to the most recent Census Bureau statistics, over a three year period—2006, 2007, and 2008—the average annual property tax bill for an owner-occupied home in Texas tallied in at \$2,225. By comparison, the average American homeowner paid just over \$1,850—resulting in a yearly difference of around \$375.<sup>1</sup>

Texans also spent a greater share of their household income on property taxes—3.53 percent versus 2.85 percent—while earning slightly less: \$63,009 vs. \$65,088, respectively.<sup>2</sup>

Remarkably, Texas homeowners are not only paying higher property taxes with less income, but they're also doing so for homes valued at far less. Based on the Census Bureau's three-year estimates, the median home value in Texas for an owner-occupied home was \$120,500. By comparison, the average home value in the U.S. was much higher, at \$192,400.<sup>3</sup>

### Property Tax Comparison: U.S. vs. Texas

	Property Taxes Paid	Median Household Income	Taxes as a % of Income	Median Home Value	Taxes as a % of Home Value
U.S.	\$1,854	\$65,088	2.85%	\$192,400	0.96%
Texas	\$2,225	\$63,009	3.53%	\$120,500	1.85%

Source: U.S. Census Bureau, 2006-2008 American Community Survey

As evidenced by the Census Bureau's data, property taxes represent a much greater challenge to Texans than to the average U.S. homeowner; but not all of Texas' taxpayers face the same hardships. In fact, depending on your county of residence, your tax burden as a homeowner could vary greatly.

### More People Typically Means More Taxes

A quick study of the Census Bureau's figures reveals something of note: homeowners in heavily populated counties—such as Harris, Dallas, and Tarrant counties—tend to pay much more in property taxes than homeowners in lesser populated counties—like Bandera and Moore counties.

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While this analysis won't attempt to explain the reasons behind this discrepancy, it's fair to say that it exists and that the tax burdens, in most cases, vary significantly depending on population size.

### *Property Taxes in High-Density Population Centers*

The 10 most populous counties in Texas are (in order): Harris, Dallas, Tarrant, Bexar, Travis, Collin, El Paso, Hidalgo, Denton, and Fort Bend.

In each of these counties, save two, Hidalgo and El Paso, the average property tax bill was higher than the statewide average, \$2,225. In the case of Collin and Fort Bend counties, the average homeowner paid nearly double the statewide average.

Homeowners in each county, except Hidalgo, also spent a greater share of their household income on property taxes than the statewide average, leaving homeowners in these counties with fewer dollars to meet basic needs, like food, clothing, etc.

As compared to the national averages, every county with a high population concentration, except Hidalgo county, had higher property taxes on homeowners, requiring a greater share of household income, and representing a bigger percentage of home value.

### **Property Tax Comparison: High-Density Population Centers**

	Population as of July 1, 2008	Median Real Estate Taxes Paid 2006-2008	Median Household Income 2006-2008	Tax as a Percentage of Income	Median Value Owner-Occupied Housing Units	Tax as a Percentage of Home Value
Harris County	3,984,349	\$2,900	\$71,499	4.10%	\$131,500	2.20%
Dallas County	2,412,827	\$2,757	\$64,940	4.20%	\$129,800	2.10%
Tarrant County	1,750,091	\$3,116	\$73,576	4.20%	\$133,000	2.30%
Bexar County	1,622,899	\$2,354	\$59,796	3.90%	\$111,600	2.10%
Travis County	998,543	\$3,831	\$81,797	4.70%	\$192,600	2.00%
Collin County	762,010	\$4,404	\$100,576	4.40%	\$197,000	2.20%
El Paso County	742,062	\$2,022	\$46,614	4.30%	\$97,800	2.10%
Hidalgo County	726,604	\$1,284	\$37,498	3.40%	\$69,400	1.90%
Denton County	636,557	\$3,808	\$93,376	4.10%	\$178,100	2.10%
Fort Bend County	532,141	\$4,193	\$92,394	4.50%	\$169,800	2.50%
<b>TEXAS</b>	-	\$2,225	\$63,009	3.53%	\$120,500	1.85%
U.S.	-	\$1,854	\$65,088	2.85%	\$192,400	0.96%

*Source: U.S. Census Bureau, 2006-2008 American Community Survey  
Estimates based on 3-year average payments made between 2006-08 in counties with populations over 20,000*

### *Property Taxes in Low-Density Population Centers*

The 10 least populous counties in Texas, with populations over 20,000, include (in order): Bandera, Moore, Calhoun, Tyler, Willacy, Colorado, Lampasas, Hutchinson, Limestone, and Hockley counties.

Homeowners living in these less populated counties were likely to pay significantly less in property taxes than the statewide average, \$2,225. In a few cases, such as Tyler and Willacy counties, the average property taxpayer paid three to three-and-a-half times less than the statewide average.

As compared to the national average, homeowners in these counties, with the exception of Bandera and Willacy counties, tended to spend less of a percentage of their income on property taxes. However, all except for those in Tyler County paid a higher percentage of their home value in taxes compared to the national average.

### Property Tax Comparison: Low-Density Population Centers

	Population as of July 1, 2008	Median Real Estate Taxes Paid 2006-2008	Median Household Income 2006-2008	Tax as a Percentage of Income	Median Value Owner-Occupied Housing Units	Tax as a Percentage of Home Value
Bandera County	20,303	\$1,650	\$49,261	3.30%	\$142,000	1.20%
Moore County	20,308	\$952	\$47,622	2.00%	\$78,500	1.20%
Calhoun County	20,406	\$899	\$52,976	1.70%	\$84,300	1.10%
Tyler County	20,470	\$627	\$42,154	1.50%	\$72,200	0.90%
Willacy County	20,600	\$689	\$23,693	2.90%	\$40,500	1.70%
Colorado County	20,734	\$1,009	\$43,340	2.30%	\$94,700	1.10%
Lampasas County	21,197	\$1,413	\$55,380	2.60%	\$109,100	1.30%
Hutchinson County	21,512	\$701	\$45,435	1.50%	\$51,200	1.40%
Limestone County	22,192	\$813	\$44,695	1.80%	\$72,700	1.10%
Hockley County	22,205	\$823	\$50,674	1.60%	\$64,700	1.30%
<b>TEXAS</b>	-	\$2,225	\$63,009	3.53%	\$120,500	1.85%
U.S.	-	\$1,854	\$65,088	2.85%	\$192,400	0.96%

*Source: U.S. Census Bureau, 2006-2008 American Community Survey  
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## Conclusion

Homeowners in Texas shoulder a heavy property tax burden; often times, much greater than that of the average U.S. homeowner. The extent of this burden roughly correlates with population density.

Depending on the population of the county, the amount of property taxes homeowners pay can vary considerably. Homeowners in larger counties tend to have higher property taxes, while the opposite is true for smaller counties.

Whether or not the inequity caused by the disparate impact of property taxes makes good tax policy is definitely something the Legislature should examine. ★

<sup>1</sup> United States Census Bureau, "2006-2008 American Community Survey 3-Year Estimates," [http://factfinder.census.gov/servlet/Dataset-MainPageServlet?\\_lang=en&\\_ts=283771897609&\\_ds\\_name=ACS\\_2008\\_3YR\\_G00\\_&\\_program=ACS](http://factfinder.census.gov/servlet/Dataset-MainPageServlet?_lang=en&_ts=283771897609&_ds_name=ACS_2008_3YR_G00_&_program=ACS).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

## About the Authors

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