



A long-standing legacy in shaping Texas fiscal policy

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## **TTARA research release: Appraisal caps come with high cost to others**

The Texas Taxpayers and Research Association (TTARA) released a new study today assessing how appraisal caps impact property taxes. TTARA's study, [The Price of Appraisal Caps: Higher Taxes for Everyone Else](#), found that in 2022, appraisal caps saved many Texas homeowners \$4 billion in the face of skyrocketing appraisals – but at a cost to others.

“Unfortunately, appraisal caps don’t cut taxes, they simply shift them to other taxpayers,” TTARA President Dale Craymer said. “Local jurisdictions adopted higher tax rates than they would have otherwise to make up for the lost value. Those higher tax rates added \$4 billion to the bills for Texas renters, new homebuyers who aren’t eligible for the cap, and businesses.”

Texas’ 10% appraisal cap is working as intended, though, as it was designed to protect homeowners from the type of market shock experienced in 2022. Still, Craymer said, “An unfortunate consequence of appraisal caps is they socialize those savings across all other property owners.”

Craymer noted that a number of bills have been introduced this legislative session to further lower Texas’ appraisal cap from the current 10% set in the state’s Constitution.

“Lowering the appraisal cap would create permanent inequities in Texas’ property tax system, forcing higher taxes on new homebuyers, renters and businesses, small and large alike,” Craymer said. “A better alternative would be to use the state’s substantial revenue bounty to lower tax rates for all property owners. The House and Senate appropriations bills provide a good starting point for tax relief by setting aside \$9.7 billion of new money for additional property tax cuts, a number we hope will be substantially higher by session end.”

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The Texas Taxpayers and Research Association (TTARA) is a non-profit, non-partisan membership-supported organization of businesses and individuals interested in state and local fiscal policies in Texas and the way those policies impact our economy.

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