SAVE MONEY ON FARM & RANCH LAND WITH AN AG VALUATION

Don't forget to file your Homestead Exemption on your residence and your Ag Application before April 30, if you haven't already.

SAVE MONEY ON FARM & RANCH LAND WITH AN AG VALUATION

If you are new (or even experienced) to raising livestock or producing hay, you should consider getting your land an agriculture (AG) valuation, if you do not already have one. This allows your property's taxes to be calculated based on its productive agriculture value instead of the higher real estate market value. The difference between agriculture value and real estate market value can result in significant tax reductions worth hundreds or thousands of dollars.

Using the land for hay production, wildlife management, or raising livestock include some of the ways for eligibility of an AG valuation. The rules on ag valuation differ depending on which county the property is located. So, what does it exactly take to get started?

Qualifications for AG Valuation.

Land primarily being used for agricultural purposes for at least 5 out of the past 7 years may qualify, those uses include livestock and crop production, or similar activities. Most counties require a minimum amount of acreage depending on the type of agriculture use.

Minimum acres required.

AG Valuation requirements vary by county, check with your local appraisal district to see if your land is eligible for this special valuation. San Saba County requires a minimum of 20 acres to qualify for an ag valuation.

Type of animals.

In Texas, most people think of cattle when they imagine livestock for an AG valuation. But a wide variety of animals can qualify. However, each county has its own unique rules and requirements so be sure and check with the county where you live. You can do that by contacting the appraisal district where the property is located.

Difference between AG Valuation & Homestead Exemption.

An AG Valuation is primarily for land (not a house like a Homestead) and is specialized toward agricultural use only. It gives the land a different value based on ag production versus a market value based on real estate worth. Ag production value tends to be a reduced amount (versus real estate worth) that will in turn, reduce your taxes. Also, a Homestead Exemption gives you a specific dollar amount that is taken off the real estate assessed value. Unlike an AG valuation, there is no required time period to wait and it does not require any work to ensure it is current or to maintain it by meeting specific requirements like an AG Valuation.

Key Takeaway:

In the end, even though it takes extra effort, an AG Valuation is well worth the trouble to obtain. The difference in taxes can be a large amount. Most people who own land with an AG Valuation know the savings and blessings of having one and how it helps in maintaining a farm or ranch.

If you have not updated your ag application in several years you need to call the Appraisal office at 325-372-5031 to make sure you are up to date. If you receive a letter in the mail from the appraisal office, you must contact the appraisal office to update your ag application, otherwise the ag valuation will be taken off your land.