

Installment Payment Plan for Taxes on Property in a Disaster Area

In accordance with Section 31.032 of the Texas Property Tax Code, taxpayers who sustained property damage as a result of a declared natural disaster may be eligible to pay their property tax payments in 4 equal installments.

To avoid penalty and interest, taxpayers must pay at least one-fourth of the total amount due by January 31, 2018. Taxpayers who make their first payment in the one-month grace period after the delinquency must include an additional 7%, penalty and interest with that payment.

Qualifications

This only applies to taxes imposed between the date of the disaster and exactly one year after for:

1. **Real Property** that is –
 - a. The residence homestead of the owner or consists of property that is used for residential purposes and that has fewer than five living units; **or**
 - b. Owned or leased by a business entity that had not more than the amount calculated as provided by Subsection (h) in gross receipts in the entity's most recent federal tax year or state franchise tax annual period, according to the applicable federal income tax return or state franchise tax report for the entity.
Note: The gross receipts threshold used in determining eligibility is \$5,704,890.
 - c. Located in a declared disaster area; and
 - d. Damaged as a direct result of the disaster

2. **Tangible Personal Property** owned or leased by a business entity as described in (b), above.

Requirements

1. Payment of at least one fourth of the total amount of taxes due must be made on or before **January 31, 2018**.

Note: Taxpayers have a one-month grace period after the delinquency date to make the first payment. Penalty and interest totaling 7% will be added to the amount due (February 28, 2018).

2. Property tax account **MUST** be coded as "Hurricane Harvey Damage" by the Montgomery Central Appraisal District.

Payments

If the first installment is paid by January 31, 2018, the remaining taxes due may be paid without penalty or interest as follows:

- **The *second* installment must be paid by March 31, 2018.**
- **The *third* installment must be paid by May 31, 2018.**
- **The *fourth* installment must be paid by July 31, 2018.**

If the installment payments are not made before each of the deadline (delinquency) dates above, the unpaid amount of the individual installment payment due is delinquent and incurs a penalty of 6% and 1% interest as provided by Section 33.01(c) of the Texas Property Tax Code. If you pay more than the amount due for an installment the excess will be credited to the next installment.

Please contact our office at 936-539-7897 if you have questions or need assistance in calculating your payment.