

**Change of Use Agricultural Land  
(Rollback)  
Section 23.55 (TPTC)**

**Change of Use of agricultural land that is appraised with the special use evaluation (ag exemption) is subject to a “rollback tax” when it changes use.**

**Change of use would be changing from agricultural use to (for example) commercial property, subdivision, etc.**

**The Change of Use would take the difference of the market value of the property and the agricultural value of the land for the preceding 5 years plus 7% interest.**

**EXAMPLE:**

<b>Year</b>	<b>Market Value</b>	<b>Ag Use Value</b>	<b>Difference</b>	<b>Tax Rate</b>	<b>Tax Due</b>
<b>2017</b>	<b>\$1000</b>	<b>\$100</b>	<b>\$900</b>	<b>\$1.00</b>	<b>\$9.00</b>
<b>2016</b>	<b>\$1000</b>	<b>\$100</b>	<b>\$900</b>	<b>\$1.00</b>	<b>\$9.00</b>
<b>2015</b>	<b>\$900</b>	<b>\$90</b>	<b>\$810</b>	<b>\$0.95</b>	<b>\$7.69</b>
<b>2014</b>	<b>\$900</b>	<b>\$95</b>	<b>\$805</b>	<b>\$0.90</b>	<b>\$7.24</b>
<b>2013</b>	<b>\$800</b>	<b>\$90</b>	<b>\$710</b>	<b>\$0.85</b>	<b><u>\$6.03</u></b>
				<b>Sub Total</b>	<b>\$38.96</b>
				<b>Plus 7%</b>	<b><u>\$ 2.72</u></b>
			<b>Rollback Tax Due</b>		<b>\$41.68</b>