375 South Ripley Street
Montgomery, AL 36104

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Alabama Department of Revenue

MEMORANDUM

TO: All County Assessing Officials

FROM: Amanda Wolfe AW
Director, Property Tax Division

SUBJECT: Homestead Exemption – Verification of Income
2025-2026 Tax Year (Act 2013-295)

DATE: October 2, 2025

§40-9-19(d), Code of Ala. 1975, specifies requirements for claiming homestead exemptions on real property. This statute states that the $5,000 (not to exceed $5,000 of assessed value) county exemption be allowed to residents of this state, over 65 years of age, who have adjusted gross income of less than $12,000 as reflected on the most recent State Income Tax Return, or some other appropriate evidence, or who are retired due to permanent and total disability (regardless of age), or who are blind (regardless of age or whether such person is retired).

There are two 2025 Alabama Individual Income Tax Forms (Form 40 and Form 40A) and one Alabama Non-Resident Individual Income Tax Form (Form 40NR). The $12,000 limitation should be verified from the return as follows:

Form 40	• Adjusted Gross Income from Line 10
Form 40A	• Total income from Line 7
Form 40NR	• Adjusted Gross Income from Line 12 (Column C)

cc: District Supervisors