

DATE:	August 28, 2025
SUBJECT:	2025 Final Maximum Compressed Tax Rates (MCR) and Adoption of Tax Rate
CATEGORY:	Funding Implications; Adoption of Tax Rate for Tax Year 2025 (2025-2026 School Year)
NEXT STEPS:	Share with business and finance staff

This letter details final maximum compressed tax rates (MCR) for school districts' maintenance and operations (M&O) tax rates required under Texas Education Code (TEC), §§48.2551 and 48.2552, and [19 Texas Administrative Code \(TAC\) §61.1000](#), for tax year (TY) 2025 or school year (SY) 2025-2026. This notice does not apply to open-enrollment charter schools.

### Background

To calculate and make available the maximum compressed tax rates for districts, the Texas Education Agency (TEA) conducted a survey of local taxable property value growth through the Foundation School Program (FSP) system in the Texas Education Agency Login (TEAL). The Local Property Value Survey (LPVS) opened on July 18, 2025, and closed on August 1, 2025. For more information on tax rate compression, please refer to the following To The Administrator Addressed (TAA) correspondence:

- [TAA Correspondence dated June 12, 2025](#)
- [TAA Correspondence dated August 5, 2025](#)

### MCR Status and Final Determinations

Once the district has submitted the data to the TEA and received approval of the submission through the FSP system, i.e., the district's LPVS status is "Approved," districts may adopt their TY 2025 tax rates in accordance with Texas Tax Code, §26.08. Pursuant to TEC, §48.2551, districts that did not submit their SY 2025-2026 LPVS will receive as their MCR the lesser of the state maximum compression rate of \$0.6322 or their prior-year MCR.

If the TEA received an appeal of a school district's preliminary MCR, a final determination was issued to the district in accordance with 19 TAC §61.1000. **The final SY 2025-2026 (TY 2025) MCR values for each district are available on the [State Funding webpage](#), under the "District & Charter Planning Tools" subheading.** The final MCR list includes the results of any appeals and supersedes the previous list of preliminary MCRs posted on August 5, 2025.

The SY 2025-2026 Summary of Finances reports will be updated to incorporate final TY 2025 MCRs by February 2026, when the TEA receives preliminary state-certified property values from the Comptroller's Property Tax Assistance Division.

### Questions

If you have any questions related to the SY 2025-2026 LPVS and calculation of maximum compressed tax rates for TY 2025, please email [taxprograms@tea.texas.gov](mailto:taxprograms@tea.texas.gov).