2026 Ag Cap Rate – 10%

For agricultural or open-space land, Tax Code Section 23.53 requires appraisal districts to use a cap rate that is the greater of 10.00 percent or the interest rate specified on the previous Dec. 31 by the Farm Credit Bank of Texas plus 2.50 percent. The bank's interest rate on Dec. 31, 2025, was 6.33 percent. With the 2.50 percent added, that rate became 8.83 percent. Since 10.00 percent is the greater rate, the 2026 cap rate is 10.00 percent. While the cap rate has typically been 10.00 percent, in 2024 and 2007 it was 10.60 percent and 10.13 percent, respectively.