PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Homestead exemption

A homestead exemption reduces the taxable value of a qualifying owner's principal residence for specified property-tax levies when the owner meets the applicable state and local eligibility and filing requirements.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Finance and Closing	**Georgia taxes and closing math**	**Define, distinguish, apply, retrieve**

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Homestead exemption mean?

A homestead exemption reduces the taxable value of a qualifying owner's principal residence for specified property-tax levies when the owner meets the applicable state and local eligibility and filing requirements.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

The exemption reduces a tax base; it does not automatically reduce fair market value or erase every levy on the bill.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia offers statewide and local homestead provisions, and amounts and covered levies can vary. Use only the exemption supplied in an exam problem rather than assuming a universal figure.

WORKED EXAMPLE

A problem gives $140,000 assessed value and a $10,000 applicable exemption. The millage applies to the resulting $130,000 taxable base for that levy.

EXAM TRAP

Do not memorize one local exemption amount as if it applied uniformly across all Georgia counties and tax districts.

Memory cue: Do not memorize one local exemption amount as if it applied uniformly across all Georgia counties and tax districts.

02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

Which statement correctly explains Homestead exemption?

- **A** A homestead exemption reduces the taxable value of a qualifying owner's principal residence for specified property-tax levies when the owner meets the applicable state and local eligibility and filing requirements.
- **B** Assessed value is the taxable value produced by applying the legal assessment ratio to fair market value before subtracting any exemption the problem or jurisdiction directs.
- **C** A millage rate is a property-tax rate stated in mills, with one mill equal to $1 of tax for each $1,000 of taxable assessed value.
- **D** Ad valorem tax is a tax based on property value.

CORRECT ANSWER: A

Homestead exemption is correct. A homestead exemption reduces the taxable value of a qualifying owner's principal residence for specified property-tax levies when the owner meets the applicable state and local eligibility and filing requirements. The exemption reduces a tax base; it does not automatically reduce fair market value or erase every levy on the bill. Georgia offers statewide and local homestead provisions, and amounts and covered levies can vary. Use only the exemption supplied in an exam problem rather than assuming a universal figure.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- [ ] I can define the term in one precise sentence.
- [ ] I can separate it from the closest look-alike.
- [ ] I can explain the Georgia rule or confirm that the national rule applies.
- [ ] I can answer the practice check and explain every option.

03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Assessed value

Assessed value is the taxable value produced by applying the legal assessment ratio to fair market value before subtracting any exemption the problem or jurisdiction directs.

https://www.passgeorgiarealestate.com/glossary/assessed-value

RELATED TERM

Millage rate

A millage rate is a property-tax rate stated in mills, with one mill equal to $1 of tax for each $1,000 of taxable assessed value.

https://www.passgeorgiarealestate.com/glossary/millage-rate

RELATED TERM

Ad valorem tax

Ad valorem tax is a tax based on property value.

https://www.passgeorgiarealestate.com/glossary/ad-valorem-tax

RELATED TERM

Fair market value

Fair market value is the amount a knowledgeable, willing buyer and seller would agree upon in an arm's-length transaction when neither is compelled and both have reasonable exposure to the market.

https://www.passgeorgiarealestate.com/glossary/fair-market-value

RECOMMENDED NEXT COMPLETE LESSON

Finance and Closing complete lesson

https://www.passgeorgiarealestate.com/blog/georgia-property-tax-millage-calculations

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

https://test-takers.psiexams.com/api/content/bulletin/4672

2. Georgia Department of Revenue, Property Tax Valuation

Official source for fair market value, the 40 percent assessment ratio, and ad valorem taxation.

https://dor.georgia.gov/property-tax-valuation