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## OLR Bill Analysis

### HB 7244

#### ***AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR SERVICE MEMBERS AND VETERANS HAVING DISABILITY RATINGS.***

#### **SUMMARY**

This bill increases the base property tax exemption for certain disabled service members and veterans by \$500. By doing so, it also increases the additional income-based exemption for such service members and veterans, which is calculated using the base exemption, by \$250 or \$1,000 depending on income.

By law, a deceased disabled veteran's unmarried spouse or minor children are entitled to the same tax exemption while they remain state residents. The bill requires the spouse or the parent or guardian of a minor child seeking such exemption to file a copy of the veteran's death certificate with the assessor in the town where the exemption is sought as soon as practicable after the death.

EFFECTIVE DATE: October 1, 2019, and applicable to assessment years commencing on or after October 1, 2019

#### **PROPERTY TAX EXEMPTION FOR DISABLED SERVICE MEMBERS OR VETERANS**

##### ***Base Exemption***

The bill increases the base state-mandated property tax exemption for disabled service members or veterans by \$500. The exemption is available to those who have (1) served, or are serving, in the U.S. Army, Navy, Marine Corps, Coast Guard, or Air Force and (2) a U.S. Veterans Affairs disability rating of 10% or more. As under current law, property tax exemption amounts vary depending on disability rating. Table 1 provides the current exemption amounts and the increased amounts under the bill.

**Table 1: Base Property Tax Exemption Amounts**

| <i>Disability Rating</i>        | <i>Exemption Amount under Current Law</i> | <i>Exemption Amount under the Bill</i> |
|---------------------------------|---|--|
| 10%-25%                         | \$1,500                                   | \$2,000                                |
| 26%-50%                         | 2,000                                     | 2,500                                  |
| 51%-75%                         | 2,500                                     | 3,000                                  |
| 76%-100%                        | 3,000                                     | 3,500                                  |
| At least 10% if age 65 or older | 3,000                                     | 3,500                                  |

***Income-based Exemption***

By law, a municipality must give a disabled service member or veteran an additional income-based exemption, which is calculated using the base exemption amount (CGS § 12-81g(a) & (d)). For disabled veterans or service members whose incomes are (1) below a certain limit, the additional exemption is twice the base amount and (2) above the limit, the additional exemption is 50% of the base amount. By increasing the base exemption by \$500, the bill increases the income-based exemption by (1) \$1,000 if the disabled veteran's income is below the threshold or (2) \$250 if it is over the threshold.

By law, the Office of Policy and Management annually updates the income limits to reflect the amount of the Social Security Administration's cost-of-living adjustment. For 2019, the limit for such veterans or service members is \$36,000 if unmarried and \$43,900 if married (CGS §§ 12-81l & 12-170aa(b)(2)). These limits apply to all disabled veterans and service members except those with 100% disability ratings, who are subject to the statutory limits of \$18,000 if unmarried and \$21,000 if married (CGS § 12-81g(a)).

**COMMITTEE ACTION**

Veterans' Affairs Committee

Joint Favorable

Yea 15 Nay 1 (03/12/2019)