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## OLR Bill Analysis

sHB 7244 (as amended by House "A")\*

### **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.

\*House Amendment "A" removes a provision in the underlying bill requiring a deceased disabled veteran's unmarried spouse or the parent or guardian of the veteran's minor children to submit a copy of the veteran's death certificate to the tax assessor to receive the property tax exemption.

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**

<b>Disability Rating</b>	<b>Exemption Amount under Current Law</b>	<b>Exemption Amount under the Bill</b>
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) at or 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 at or 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)

Planning and Development Committee

Joint Favorable

Yea 18 Nay 1 (04/17/2019)

