

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



PA 19-171—sHB 7244

*Veterans' Affairs Committee*

*Planning and Development Committee*

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

**SUMMARY:** This act increases the base property tax exemption for certain disabled service members and veterans by \$500. By doing so, it also increases the (1) additional income-based exemption for such service members and veterans by \$250 or \$1,000, depending on their income, and (2) local-option exemption that a municipality may provide to certain 100% disabled service members or veterans instead of the income-based exemption, by \$1,500. Both of these exemption amounts are calculated using the base exemption.

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

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

*Base Exemption*

The act increases the base state-mandated property tax exemption for disabled service members or veterans by \$500. The exemption is available to Connecticut residents who have served, or are serving, in the U.S. Army, Navy, Marine Corps, Coast Guard, or Air Force and (1) have a U.S. Veterans Affairs disability rating of 10% or more or (2) receive a pension, annuity, or compensation from the United States due to the service-related loss of a leg or arm or its equivalent, as determined by the U.S. Pension Office or the Bureau of War Risk Insurance. As under existing law, property tax exemptions may be used for property that is owned by, or held in trust for, a veteran or service member. The exemption amount for a veteran with a disability rating depends on that rating. The table below shows the exemption amounts under prior law and the act.

**Base Property Tax Exemption Amounts**

<b><i>Disability Rating</i></b>	<b><i>Exemption Amount under Prior Law</i></b>	<b><i>Exemption Amount under the Act</i></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

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<b>Disability Rating</b>	<b>Exemption Amount under Prior Law</b>	<b>Exemption Amount under the Act</b>
At least 10% and age 65 or older	3,000	3,500

The act similarly increases the maximum exemption amount for those receiving a pension, annuity, or compensation from \$3,000 to \$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 threshold, the additional exemption is twice the base amount and (2) above the threshold, the additional exemption is 50% of the base amount. By increasing the base exemption by \$500, the act increases the income-based exemption by (1) \$1,000 if the service member's or 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 thresholds to reflect the amount of the Social Security Administration's cost-of-living adjustment. For 2019, the threshold for such veterans or service members is \$36,000 if unmarried and \$43,900 if married (CGS §§ 12-81l & 12-170aa(b)(2)). These apply to all disabled veterans and service members except those with 100% disability ratings, who are subject to the statutory thresholds of \$18,000 if unmarried and \$21,000 if married (CGS § 12-81g(a)).

*Local-Option Exemption*

Existing law also allows a municipality, with its legislative body's approval, to provide 100% disabled veterans or service members, under certain income thresholds, with three times the amount of the base exemption instead of double the amount as under the additional income-based exemption. By increasing the base exemption by \$500, the act increases the local-option exemption by \$1,500. The income eligibility threshold for this optional municipal property tax exemption is \$21,000 if single and \$24,000 if married (CGS § 12-81g(b)).