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

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

**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)