

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

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sHB-5491

AN ACT ESTABLISHING A PROPERTY TAX EXEMPTION FOR VETERANS WHO HAVE A SERVICE-CONNECTED PERMANENT AND TOTAL DISABILITY RATING.

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## **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

Municipalities	Effect	FY 25 \$	FY 26 \$
Various Municipalities	Grand List Reduction	None	4.9 million

## **Explanation**

The bill results in a grand list reduction<sup>1</sup> of approximately \$4.9 million beginning in FY 26 from fully exempting real property tax for veterans with a Permanent and Total (P&T) disability rating from the United States Department of Veterans Affairs or their spouse. If neither veteran nor spouse owns such a residence, the exemption may be applied to a motor vehicle owned by such a resident or their spouse. There are 1,209 veterans in the state of Connecticut with a P&T designation, and the estimate takes home and motor vehicle ownership rates amongst veterans into account.

## **The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of qualifying veterans.

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<sup>1</sup> A grand list reduction results in a revenue loss given a constant mill rate. It is likely that a municipality will adjust its mill rate to offset any predicted revenue loss.