

State Property Tax Exemptions on Real Property for 100% Service-Connected Disabled Veterans

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Issue

What other states offer property tax exemptions on real property specifically for 100% service-connected disabled veterans, and if so, what do they offer?

Summary

States offer a wide range of property tax exemptions on homesteads and residences for 100% service-connected disabled veterans (for Connecticut, see OLR Report [2023-R-0175](#)). Every other state but New York offers some sort of specific exemption for disabled veterans (New York has separate groups of exemptions for both veterans and persons who are disabled, including optional exemptions for disabled veterans). Of those 48 states, 33 offer exemptions that specifically apply to this subset of veterans. (Most also offer additional exemptions to veterans with other disability ratings.) However, these 33 states vary in their requirement that the veteran's disability rating be any combination of (1) service-connected, (2) permanent, or (3) total. Pennsylvania also adds the requirement that the veteran have wartime service. The table specifies the eligibility requirements in state statute (additional requirements might be implemented through regulation or practice).

Thirteen states, although they do not authorize an exemption targeted just to this specific subset, authorize property tax exemptions that apply to a broader category of disabled veterans, including this subset. Of the remaining two states, (1) Alabama authorizes an exemption for all people (not just veterans) retired due to total and permanent disability and (2) Rhode Island authorizes a variety of exemptions depending on the municipality and eligibility standards.

For more information on veteran property tax benefits, [the U.S. Army has compiled a compendium of benefits by state](#), including property tax exemptions that veterans are eligible for.

General Requirements

Although states structure and implement property tax exemptions in a variety of ways, we identified three common requirements or policies. Every state requires the:

1. veteran be a state resident;
2. veteran have been discharged under honorable conditions (which generally includes honorable and general discharges, while excluding “other than honorable” discharges or discharges bestowed by a military court for serious misconduct); and
3. exemption apply to only one property, which must be either for the veteran’s (a) homestead or (b) primary or principal place of residence.

Additionally, some states are explicit about limiting the exempted acreage owned by the veteran surrounding the exempt home. For example, New Mexico exempts five acres ([N.M. Stat. § 7-37-5.1](#)), while Alabama generally allows up to 160 acres to be exempted ([Ala. Code § 40-9-19](#)).

Table 1 provides a list of states, statutory references, and brief summaries of property tax exemptions that apply to homesteads or residences, as well as the category of veterans that are eligible for the exemption. If the state had no exemption that applied to 100% service-connected disabled veterans, the report identifies the exemption that was most closely applicable to this subset of veterans.

Table 1: Property Tax Exemptions for Residences/Homesteads for 100% Service-Connected Disabled Veterans by State

State	Statute	Eligible Veterans*	Exemption Offered**
Alabama	Ala. Code § 40-9-19	Persons retired due to total and permanent disability	Exempt from all ad valorem property taxes
Alaska	Alaska Stat. § 29.45.030(e)	Veterans with at least 50% service-connected disability	Exempt from taxation on the first \$150,000 of the property’s assessed value (municipality may authorize higher amount; see 29.45.050(i))
Arizona	Ariz. Const. Art. 9 § 2 & Ariz. Rev. Stat. § 42-11111	All disabled veterans	Exemption is calculated based on property’s assessed value and the veteran’s disability rating; see more here (pp. 35-36)

Table 1 (continued)

State	Statute	Eligible Veterans*	Exemption Offered**
Arkansas	Ark. Code § 26-3-306	Veterans with a 100% permanent and total service-connected disability	Exempt from all state taxes on homestead and personal property
California	Cal. Revenue and Tax Code § 205.5	Veterans with a 100% service-connected total disability	Exempt from taxation on the first \$100,000 (adjusted annually for inflation; for 2024 , it is \$169,769) of the property's assessed value (\$150,000, adjusted annually for inflation [for 2024 , it is \$254,656], if the veteran's income is \$40,000 or less)
Colorado	Colo. Rev. Stat. § 39-3-203	Veterans with a 100% permanent service-connected disability	Exempt from taxation on 50% of the first \$200,000 of the property's actual value
Delaware	Del. Code tit. 14 § 1917	Veterans with a 100% permanent and total service-connected disability	A school board may authorize a property tax credit for qualifying veterans equal to the full amount of the school-related property tax owed (property taxes for other entities not exempted by law)
Florida	Fla. Stat. § 196.081	Veterans with a 100% permanent and total service-connected disability	Homestead is exempt from property taxes
Georgia	Ga. Code § 48-5-48	Veterans with a 100% service-connected total disability	Exemption for up to the first \$109,986 of the property's value (2023 tax year, adjusted for inflation) as set per 38 U.S.C. § 2102
Hawaii	Exemptions for property taxes are set at the county level (see Kaua'i , Maui , Hawaii , and Honolulu)	Veterans ranging from a minimum from at least a 70% disability rating to 100% service-connected disability	Generally exempt from all property taxes except the minimum required tax
Idaho	Idaho Code § 63-705A	Veterans with a 100% service-connected total and permanent disability	Up to \$1,500 off the veteran's property tax liability
Illinois	35 ILCS 200/15-169	Veterans with at least a 30% or more service-connected disability rating	If 70% or more disabled, the property is exempt from taxation; if 50-70%, the annual exemption is \$5,000, if between 30-50%, the exemption is \$2,500 (property must be valued at \$250,000 or less for the veteran to qualify)

Table 1 (continued)

State	Statute	Eligible Veterans*	Exemption Offered**
Indiana	Ind. Code § 6-1.1-12-14	Veterans with a 100% disability rating	Subtract \$14,000 of the property's assessed value (property must be valued at \$200,000 or less for the veteran to qualify)
	Ind. Code § 6-1.1-12-13	Wartime veterans with at least a 10% service-connected disability rating	Subtract \$24,960 of the property's assessed value (can be combined with the one above)
Iowa	Iowa Code § 425.15	Veterans with a 100% permanent service-connected disability	Credit for the entire amount of the tax levied on the homestead
Kansas	Kan. Stat. § 79-4508a	Veterans with at least 50% permanent service-connected disability (income limits and appraised value of the property further restrict eligibility)	A refund equal to the difference between the 2021 and 2023 property tax paid
	Kan. Stat. § 79-4508	Persons that are totally and permanently disabled (with a 2023 income limit of \$40,500)	Up to \$700 refund of property taxes
Kentucky	Ky. Rev. Stat. § 132.810 & Ky. Const. § 170	Veterans with a 100% service-connected total disability	Reduction of \$46,350 off the assessed property value for the 2023-2024 tax season (base value of \$6,500 and periodically adjusted for inflation)
Louisiana	La. Const. Art. VII § 21(K)	Veterans with a 100% service-connected total disability	Exempt from all ad valorem taxes
Maine	Me. Stat. tit. 36 § 653	Veterans with a 100% service-connected total disability	Exempt from taxation on the first \$6,000 of the property's assessed value
Maryland	Md. Code Tax-Prop. § 7-208	Veterans with a 100% permanent and total service-connected disability	Dwelling house is exempt from property tax
Massachusetts	Mass. Gen. Laws ch. 59 § 5(22E)	Veterans with a 100% service-connected disability	\$1,000 credit toward assessed property tax on the veteran's domicile
Michigan	Mich. Comp. Laws § 211.7b	Veterans with a 100% permanent and total service-connected disability	Real property used and owned as a homestead is exempt from tax collection

Table 1 (continued)

State	Statute	Eligible Veterans*	Exemption Offered**
Minnesota	Minn. Rev. Stat. § 273.13(34)	Veterans with a 100% permanent and total service-connected disability	Exempt from taxation on the first \$300,000 of the property's market value
Mississippi	Miss. Code § 27-33-67	Veterans with a 100% service-connected total disability	Exempt from all ad valorem taxes on homestead property
Missouri	Mo. Rev. Stat. § 135.010	Veterans with a 100% service-connected disability	Property tax credit of up to \$1,100 based on (1) the taxes paid and (2) income
Montana	Mont. Code § 15-6-311	Veterans with a 100% service-connected disability	Reduces the property tax rate a certain percentage based on the veteran's marital status and income
Nebraska	Neb. Rev. Stat. § 77-3506	Veterans with a 100% permanent service-connected disability	Exempts 100% of the homestead from property taxes
Nevada	Nev. Rev. Stat. § 361.091	Veterans with a 100% permanent service-connected disability	Exempt from taxation on the first \$20,000 of the property's assessed value (the exemption is adjusted for inflation each year; the 2023-2024 FY exemption was \$33,400)
New Hampshire	N.H. Rev. Stat. § 72:35	Veterans with a 100% permanent and total service-connected disability	Yearly property tax credit of \$700 (municipality may adopt increased credit ranging between \$701-\$4,000)
New Jersey	N.J. Stat. § 54:4-3.30	Veterans with a 100% permanent service-connected or total disability	Dwelling house and lot are exempt property taxes
New Mexico	N.M. Stat. § 7-37-5.1	Veterans with a 100% permanent and total service-connected disability	Property is exempt from property taxation
New York	<p>New York does not offer a mandatory tax exemption based on a veteran's disability rating (see more here on other veterans' tax exemptions and exemptions for those with disabilities, which includes a municipal option to implement a disabled veteran's exemption)</p> <p>New York's veterans' tax exemptions include the alternative veterans' exemption and Cold War veterans' exemption, both of which are municipal option exemptions with an additional exemption for disabled veterans (N.Y. Real Property Tax Law §§ 458 to 458b)</p>		
North Carolina	N.C. Gen. Stat. § 105-277.1C	Veterans with a 100% permanent and total service-connected disability	Exempt from taxation on the first \$45,000 of the property's assessed value

Table 1 (continued)

State	Statute	Eligible Veterans*	Exemption Offered**
North Dakota	N.D. Cent. Code § 57-02-08.8	Veterans with at least a 50% service-connected disability rating	Eligible for a credit for taxes paid on the first \$8,100 of the property's taxable value (credit is reduced depending on the veteran's disability rating)
	N.D. Cent. Code § 57-02-08.1	Persons that are permanently and totally disabled	Eligible for a credit on the first \$9,000 of the property's taxable value (credit is income-dependent and may be reduced)
Ohio	Ohio Rev. Code § 323.152	Veterans with a 100% service-connected total disability	Exempt from taxation on the first \$50,000 of the residence's value
Oklahoma	Okla. Const. Art. X § 8E	Veterans with a 100% permanent service-connected disability	Exempt on taxation for the full amount of the fair cash value of the homestead
Oregon	Or. Rev. Stat. § 307.250	Veterans with at least a 40% service-connected disability	Exempt from taxation on the first \$18,000 of the property's assessed value (increases every year by 3% from the prior year; exemption currently valued at \$30,646 for 2024 tax year) (for veterans with at least a 40% non-service-connected disability, the exemption is on the first \$15,000 (valued at \$25,537 for the 2024 tax year))
Pennsylvania	51 Pa. C.S.A. § 8902	All wartime veterans with 100% permanent or total disability (income limits apply ; \$108,046 for 2024; veterans with income below that are presumptively eligible; those with higher incomes qualify if their allowable expenses exceed their income)	Exempt from all real estate taxes levied upon any building or land on which it stands
Rhode Island	R.I. Gen. Laws § 44-3-4	Varies	Property taxes are assessed by local municipalities, each with their own regulations and exemption amounts Most offer an exemption for veterans with a 100% service-connected disability (see this report for the 2022 amounts offered)
South Carolina	S.C. Code § 12-37-220(B)	Veterans with a 100% permanent and total service-connected disability	The veteran's house is exempt from property taxes

Table 1 (continued)

State	Statute	Eligible Veterans*	Exemption Offered**
South Dakota	S.D. Codified Laws § 10-4-40	Veterans with a 100% permanent and total service-connected disability	Exempt from taxation on the first \$150,000 of the property's full and true value
Tennessee	Tenn. Code § 67-5-704	Veterans with a 100% permanent and total service-connected disability	Exempt from taxation on the first \$175,000 of the property's assessed value
Texas	Tex. Tax Code § 11.131	Veterans with a 100% service-connected disability	Exempt from taxation on the homestead's total assessed value
Utah	Utah Code § 59-2-1903	Veterans with at least 10% service-connected disability rating	The taxable value of the veteran's primary residence is reduced by the veteran's disability rating (i.e., a 100% disability rating equals a 100% reduction in the taxable value) up to \$479,504 for 2023 (and adjusted for inflation each calendar year)
Vermont	32 V.S.A. § 3802(11)	Veterans with at least 50% service-connected disability rating	Exempt from taxation on the first \$10,000 of the property's assessed value (can be increased up to \$40,000 if approved by the town)
Virginia	Va. Const. Art. X § 6-A & Va. Code § 58.1-3219.5	Veterans with a 100% permanent and total service-connected disability rating	The veteran's principal residence is exempt from taxation
Washington	Wash. Rev. Code § 84.36.381	Veterans with at least 80% service-connected disability rating or a total disability rating	Exemption amount varies based on income, residence value, and local levy rates
West Virginia	W. Va. Code § 11-13MM-4	Veterans with at least a 90% permanent and total service-connected disability rating	Tax credit in the amount of the ad valorem property tax paid on the veteran's principal dwelling
Wisconsin	Wis. Stat. § 71.07(6e)	Veterans with a 100% service-connected disability rating	Tax credit in the amount of the property tax paid on the veteran's principal residence
Wyoming	Wyo. Stat. § 39-13-105	Veterans with a compensable service-connected disability rating	Exempt from taxation on the first \$3,000 of the property's assessed value

*Other veterans may be eligible for the same exemption, but outside the scope of this report, and therefore not listed here

**If a state did not have an exemption that specifically applied to 100% service-connected disabled veterans, the property tax exemption for disabled veterans that was most closely applicable was included instead

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