

SB 500 -2 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 2/20, 3/7

WHAT THE MEASURE DOES:

Increases the property tax exemption for property of veterans with disabilities from \$15,000 to \$60,000; for veterans with service-connected disability of at least 40 percent but less than 100%, from \$18,000 to \$65,000; and for veterans with service-connected disability of at least 100 percent from \$18,000 to \$150,000. Allows counties to create eligibility limits related to annual gross income for the latter group; if found not eligible, a taxpayer would be allowed the lesser exemption amount.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

- 2 -Eliminates increase in property tax exemptions for non-service related disabilities
- sets service related exemption for those veterans and spouses with at least 40% but less than 100% disability at \$45,000
- sets service related exemption for those veterans and spouses with 100% disability at \$100,000

BACKGROUND:

This bill modifies a provision included in the current Tax Expenditure Report, item 2.109. Eligible veterans or their surviving spouses may file a claim for the exemption. Requirements include that the taxpayer must own and live on the property; surviving spouses are allowed the exemption unless they have remarried. The base exemption amounts are increased by three percent annually. For tax year 2017-18, the base exemption was \$21,386 and the service-connected exemption was \$25,665.