

**SB 500 A -4 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Jaime McGovern, Economist

**Meeting Dates:** 5/9

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**WHAT THE MEASURE DOES:**

Increases the property tax exemption for veterans (and surviving spouses) with service related disabilities of at least 40 percent but less than 100% to \$45,000.

Increases the property tax exemption for veterans with service related disabilities of 100 percent to \$100,000.

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:**

-4

caps non-service disability exemption at \$25,000.

reduces service disability exemption of 40% (excluding 100%) or more to \$35,000.

reduces service disability exemption of 100% to \$75,000.

changes filing requirement for claimant.

**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.