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S.F. No. 2681 – Disabled Veterans’ Homestead Market Value Exclusion Application Deadline Extension for Certain Spouses

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SF 2681 extends the application deadlines for the disabled veterans’ homestead market value exclusion for certain spouses.

Under current law, the spouse of a service member who dies in the line of duty must apply for the market value exclusion within two years of the service member’s death. This proposal allows the surviving spouse to apply: (1) within two years of the service member’s death; (2) within two years of the United States Department of Veteran Affairs Dependency and Indemnity Compensation determination; or (3) by December 31, 2023, whichever is later. A qualifying spouse whose application was previously denied may also reapply by December 31, 2023.

Under current law, if a total and permanently disabled veteran died after December 31, 2011, without having applied for the exclusion before dying, the surviving spouse must have filed a first-time application within two years of the death of the veteran, or by June 1, 2019, whichever was later. This proposal allows a surviving spouse under this situation to apply: (1) within two years of the service member’s death; (2) within two years of the United States Department of Veteran Affairs Dependency and Indemnity Compensation determination, if applicable; or (3) by December 31, 2023, whichever is later. A qualifying spouse whose application was previously denied may reapply by December 31, 2023.

Effective for assessment year 2022 and thereafter.