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S.F. No. 4021 – Modifying Spousal Benefit for Disabled Veterans’ Homestead Market Value Exclusion

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The Disabled Veterans’ Homestead Market Value Exclusion reduces the market value for qualifying homeowners by \$150,000 for veterans with a disability rating of 70% or more, and \$300,000 for veterans who are totally and permanently disabled.

Prior to 2019, a surviving spouse of a totally and permanently disabled veteran, a surviving spouse receiving dependency and indemnity compensation, and a surviving spouse of a veteran with a service-connected death while in active service qualified for the \$300,000 exclusion for eight years following the veteran’s death. In 2019, the legislature extended the spousal benefit from eight years to such time as the spouse remarries, transfers, or otherwise disposes of the property.

This proposal allows a qualifying surviving spouse who previously received the exclusion to reapply if the exclusion expired prior to the legislative change allowing for a lifetime benefit.

Effective beginning with assessment year 2022.