

# Disabled Veteran Homestead Valuation Exclusion

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## What is the disabled veteran homestead valuation exclusion?

This program provides a property tax benefit to qualifying homeowners by reducing the value of their home for property tax purposes by up to \$300,000. The benefit applies to certain veterans with a disability, their surviving spouses, the surviving spouses of military personnel who have died in the line of duty, and certain primary caregivers of qualifying veterans.

## What is the benefit?

Veterans who are totally and permanently disabled (100% T&P) are eligible for a valuation exclusion of \$300,000. Veterans who are not totally and permanently disabled, but who have a disability rating of 70 percent or higher, are eligible for an exclusion of \$150,000. If a qualifying veteran does not own a house, but has a designated “primary family caregiver” who does own a house, the caregiver can receive the exclusion for the time he or she continues in that role.

## What are the benefits for surviving spouses?

In some circumstances, surviving spouses may continue to receive program benefits after the qualifying veteran has died. The following people are eligible for the receipt of the 100% T&P benefit:

- spouses of veterans who received the 100% T&P benefit (There is no survivor benefit for spouses of veterans qualifying at the 70 percent standard.)
- spouses of military personnel who have died in the line of duty
- spouses of veterans who were eligible for the 100% T&P benefit but did not apply for or receive the benefit before dying
- spouses who have been awarded dependency indemnity compensation

The benefit is available until the spouse remarries or no longer uses the property as a homestead, except that a surviving spouse is allowed a onetime transfer of the exclusion to a property with an estimated market value less than or equal to the estimated market value of the original property.

## How does the benefit work?

The exclusion amount is subtracted from the value of the homestead as determined by the assessor before property taxes are calculated. If the value of the homestead in any year is less than the exclusion amount, the homestead is totally exempt from property taxes for that year. The actual tax benefit for a specific property will vary based on the value of the home and the local tax rate.

## What are the qualifications for veterans with a disability?

To qualify under this program as a veteran with a disability, the veteran must have been honorably discharged from the U.S. armed forces as indicated by U.S. Department of Defense form DD214 or other

official military discharge papers, and must be certified by the U.S. Department of Veterans Affairs (VA) as having a service-connected disability with a disability rating of 70 percent or higher.

### **How do people enroll in the program?**

People can apply for benefits under this program through the county assessor's office. A veteran with a disability must provide form CR-DVHE70 or CR-DVHE100 and provide proof of honorable discharge and of disability rating. A surviving spouse of a service member who dies while in active service must provide either U.S. Government Form DD1300 or DD2064. Primary family caregivers must provide certification that they qualify under the VA Program of Comprehensive Assistance for Family Caregivers.

### **When do the benefits begin?**

Applications received by December 31 of any year take effect for taxes payable in the following year, unless the homestead is a manufactured home, in which case the benefit takes effect in the same year. Veterans who fail to apply in the first year that they are eligible may file in any subsequent year and begin receiving benefits after that.

### **How is the tax benefit paid for?**

Excluding all or a portion of the value of the veteran's home from property taxes slightly increases the taxes on other properties (homes, businesses, farms, etc.) in the taxing jurisdictions where the home is located, meaning that the veteran's property tax benefit is essentially being provided by the other properties within the same taxing jurisdictions.

### **What about special assessments?**

Other charges that might appear on the property tax statement, such as special assessments and various types of fees, are not affected by the valuation exclusion and must continue to be paid in full.

### **How does the exclusion apply to an agricultural homestead?**

For agricultural homesteads, the exclusion applies only to that portion of the property consisting of the house, garage, and surrounding one acre of land.

### **Does the market value exclusion affect other property tax relief programs?**

Properties that qualify for the disabled veterans homestead valuation exclusion do not receive the "regular" market value homestead exclusion of \$38,000 or less. Properties that qualify for the disabled veterans homestead valuation exclusion are not eligible to receive the preferential classification (1b) generally available on the first \$50,000 of market value on homesteads owned by persons who are blind or disabled. Qualifying veterans, surviving spouses, and primary caregivers continue to be eligible for the property tax refund program, although it is likely that they would qualify for a significantly smaller refund because their property taxes would be so much lower due to the exclusion.

