



## County Assessor

Carlton County Historic Courthouse, 301 Walnut, PO Box 440, Carlton MN 55718-0440

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March 10<sup>th</sup>, 2025

To: Members of the House Tax Committee

From: Kyle Holmes

RE: Impact of Veterans Exclusion Program

Dear Members of the House Tax Committee:

Below is a summary on what impact the Veterans Exclusion has had on Carlton County. The program was initiated in 2008 by legislative action for taxes payable in 2009. Our counties total Veterans Exclusion for the 2008 assessment year was \$20,616,700 in excluded taxable value. This in turn was a tax shift of \$268,017 for taxes payable in 2009. For the 2024 assessment year, our excluded value will be \$83,591,400 which will result in another large tax shift. This program has increased in our county by more than 400% since established.

The impact the exclusion will likely have on the 2025 taxes is a reduction of market value by \$83,591,400, loss of net tax of \$835,591. A loss of tax revenue that will be **shifted** to other taxpayers. **We estimate that this shift is the equivalent to approximately 3 levy points in our county budget, or 5 or 6 times the amount of impact most counties see.** For the 2024 Assessment year taxes payable in 2025, Carlton County will be ranked #2, second only to Hennepin County, in the State of Minnesota as having the most Veterans Exclusions per capita I believe.

The Veterans Exclusion program continues to grow in Carlton County. In the past the surviving spouse of a veteran who was totally and permanently disabled at 100% could receive the benefit for the year of the death of the veterans plus one. In 2012, the Legislature extended that benefit to the spouse for 5 years, plus, the law was revised to include a caregiver of a veteran. In 2014, it was extended again to 8 years, and now as you are aware they can keep it for life and transfer it to another property 1 time, making for an administrative nightmare

I hope you find this information helpful. My belief is that this program will continue to increase as veterans are returning from service with greater chances of disability, are buying homes and receiving a veteran's disability of 70% or greater. Any further expansion of this benefit stands to further harm our counties taxpaying citizens disproportionately.

I would like to stress **that Carlton County is not opposed to veterans' benefits**, or this program in principle. We are simply asking for a way to be treated equally by asking for funding or additional dollars to help equalize the impact on our residents, which include the veterans themselves.

If you have any further questions, please feel free to contact me.

Respectively submitted,  
Kyle Holmes