HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3806 **DATE:** April 26, 2010
Version: As introduced

Authors: Obermueller and others

Subject: Property tax benefits for spouses of deceased military service personnel and disabled veterans

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Overview

H.F. 3806 provides three distinct benefits to spouses of certain deceased military service personnel and veterans:

- Extends the market valuation exclusion for spouses of deceased disabled veterans from two years to five years
- Provides a market valuation exclusion for spouses of military service personnel who die while in active service for five years
- Allows spouses of (a) deceased military service personnel who die while in active service, and (b) deceased disabled veterans who were permanently and totally disabled before they died, to participate in the senior deferral program

Section

1 **Homestead of disabled veteran.** Allows spouses of service members who die while in active service to qualify for the disabled veteran market value exclusion. Extends from two years to five years the time that the spouse of a deceased disabled veteran or of a service member who dies during active service may continue to receive the homestead market value exclusion (the statutory language states the change as from one *additional* year to four *additional* years).

The change to include spouses of service members who die while in active service is effective for deaths occurring the day after final enactment. The extension from two years to five years is effective for taxes payable in 2011 and thereafter.

2 **Special program qualifications; spouse of service member who died while in active service or deceased disabled veteran.** Allows spouses of (i) service members who die during active military service, and (ii) deceased veterans who were classified as totally and permanently disabled prior to their death, to participate in the senior deferral program.

Qualifying spouses are exempt from the age and tenure of residence requirements, but subject to all other requirements for participation in the senior deferral program.

Effective for taxes payable in 2011 and thereafter.