

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 541  
**Version:** As Introduced

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**Subject:** Property tax; veterans

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### Overview

#### Background:

**The 2008 Omnibus Tax Act created a new market value exclusion for property tax purposes for veterans with a certain level of service-connected disabilities.**

- **For a veteran with a 70% or higher service-connected disability, up to \$150,000 of market value is excluded; and**
- **For a veteran with a 100% total and permanent service-connected disability, up to \$300,000 of market value is excluded.**

Under current law, if a disabled veteran who has qualified for the valuation exclusion precedes his or her spouse in death, and if upon the veteran's death the spouse holds title to the homestead and continues to reside there (as the homestead), then the market value exclusion carries over to the benefit of that surviving spouse *for one additional assessment year*. (Note that under current law, remarriage by the surviving spouse, if any, is irrelevant to eligibility for the benefit.)

This bill would remove that time limit for the surviving spouse to receive the benefit – i.e., by making it permanent. However, it also provides that upon remarriage by the surviving spouse, the person's eligibility for the market value exclusion terminates.

**Effective Date:** The bill is effective for property taxes payable in 2010 and thereafter.