

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 555
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Authors: Dettmer

Subject: Veterans; extending the effective period of the homestead market value exclusion for the surviving spouse of a deceased service member, or the surviving spouse of a 100 percent total-and-permanent disabled veteran

Analyst: Jim Cleary

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Overview

Minnesota tax law provides a market value exclusion for property tax purposes on the homesteads of certain severely disabled veterans.

The benefit is significant.

- If the veteran's service-connected disability is rated by the USVA as being 70 percent or higher, the first \$150,000 of market value is excluded.
- If the veteran's service-connected disability is rated at 100 percent total and permanent, the first \$300,000 of market value is excluded.

The benefit applies as well, at the higher level, to the homesteads of the surviving spouses of qualified veterans having a 100 percent total and permanent, service-connected disability at time of death, provided that the disabled service-member was already enrolled for the exclusion at that level.

The exclusion applies as well to the homesteads of surviving spouses of service members who die of a service-connected cause while serving in active military duty (e.g., by being killed in combat or by accident, or dying by disease or otherwise).

In either case, the surviving spouse's eligibility for the market value exclusion is limited to five tax-years, or until the spouse remarries, or sells, transfers, or otherwise disposes of the property.

This bill would repeal the five-year limit on the benefit for surviving spouses.