

New Law for Property Taxes and Disabled Veterans In Texas

Many have been asking for information regarding the newly passed legislation regarding Property Tax Exemption for 100% Disabled Veterans. Below are some talking points to tell you about the law and how it will work for the disabled veteran.

Totally Disabled Veteran Homestead Property Tax Exemption

Originally filed as SB 469 (Sen. John Carona)/HB 742 (Rep. Kino Flores)
Passed as part of **HB 3613**. **The text of the bill says:**

A disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran 's residence homestead.

- **This exemption applies to a veteran:**

- with a service-connected disability,
- who receives compensation from the U.S. Department of Veterans Affairs at the 100% level due to either:
 1. a 100% disability rating OR
 2. Individual unemployability.

- **The TOTAL VALUE of an applicable disabled veteran's residence homestead (principal residence) is EXEMPT from any calculation of property taxation.**

- Regardless of the number of taxing units (school districts, utility districts, hospital districts) in which a veteran's homestead may be, the property's value is virtually worth \$0 for the calculation of a property tax bill.

EXAMPLE: If a school district charges \$1.00 per \$100 of a home's value, your home costs \$100,000, AND you are a totally disabled veteran, then the appraisal district reports your home's value as \$0. One dollar and fifty cents times zero is zero. You would owe \$0 in property taxes to your school district, and this holds true for every other taxing district your property is in.

- **The effective tax year for this exemption is 2009.**

- Despite the bill being originally filed with an effective tax year that was essentially 2010, the bill was amended to apply this exemption to taxes calculated in "the tax year beginning on or after January 1st, 2009."
- The effective tax year should not be confused with the effective date of the bill. As amended into HB 3613, the language of SB 469 says that it takes effect either September 1st or immediately if it gets 2/3 vote from both Houses.
- HB 3613 received more than the necessary amount of votes in the House and Senate, so it takes effect immediately upon the Governor's signature.
- However, even if it had gone into effect on September 1st, the language still specifies that it applies to the 2009 tax year.

- **Applying for the totally disabled veteran property tax should be much easier with a new certification letter created by the U.S. Department of Veterans Affairs in anticipation of this bill passing the State Legislature.**

- The new certification letter should now address
 1. the specific percentage rating of a veteran's disability,
 2. the veteran's individually unemployable status, and
 3. whether the disability was service-connected.
- Veterans should contact their County Appraisal District to:
 1. obtain an application for applying for a disabled veteran property tax exemption (also available online through the Comptroller's website) AND
 2. ensure that a copy of his new letter of certification from the VA was received with that application.

This law is also applicable to disabled veterans with less than 100% disability and gives exemptions to the assessed value of the home dependant on the level of disability. This exemption should be applied for in the same manner as described previously. The law reads:

A disabled veteran is entitled to an exemption from taxation of a portion of the assessed value of a property the veteran owns and designates as provided by Subsection (f) [of this section] in accordance with the following schedule:

an exemption of for a disability rating of up to: at least: but less [not greater] than:

of the assessed value

\$5,000 10% to 29%

\$7,500 30% [31] to 50%

\$10,000 50% [51] to 70%

\$12,000 70% [71] and over

If, as a less than 100% disabled veteran, you have previously applied to your county assessor for exemption, you should not need to do so again. Any changes in assessed value that are applicable to you should occur automatically. If you are a less than 100% disabled veteran and you have not previously applied for exemption, then you need to apply to your county assessor's office using form 50-135 and present it along with a copy of your determination letter from the VA.

If you are a 100% disabled veteran, even if you have previously applied for exemption as cited in the previous paragraph, you must re-apply to your county assessor using Form 50-764 along with your letter of determination showing 100% disability. This will have the effect of totally doing away with your property taxes to include school taxes.

I hope that this information is helpful to you. Should you have further questions, they should be addressed to your local County Assessors Office.

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