

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2857 **DATE:** March 27, 2006
Version: As introduced, with author's amendment H2857A1
Authors: Eastlund and others
Subject: Providing a property tax benefit to certain disabled military veterans
Analyst: Steve Hinze, 651-296-8956
Karen Baker, 651-296-8959
Jim Cleary, 651-296-5053

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

Provides a property tax valuation exclusion for the homestead of a veteran with a service-connected disability of 50 percent or more. The amount of value excluded varies with the percentage of disability. Effective for taxes payable in 2007 and thereafter.

Section

- 1 Homestead of disabled veteran.** (a) Provides a valuation exclusion for the homestead of a veteran with a service-connected disability of 50 percent or more. Certification of the veteran's disability status must be provided by the United States Veterans Administration.
- (b) (1) For a disability rating of at least 50 percent but less than 75 percent, the exclusion is \$30,000;
- (2) for a disability rating of 75 percent or more, the exclusion is \$50,000, except as provided in clause (3);
- (3) for a total (100 percent) and permanent disability, the exclusion is \$100,000.
- (c) Provides that if a veteran qualifying for exclusion under (b) (3) predeceases the veteran's spouse, the exclusion shall remain with the property unless or until the spouse disposes of

Section

the property.

(d) Provides that in the case of an agricultural homestead, the exclusion applies only to the house, garage and surrounding one acre of land.

(e) Provides that an application for exclusion must be filed with the county assessor by July 1 of each year for taxes payable in the following year, accompanied by supporting documentation. In the case of an exclusion under paragraph (b), clause (3), the property continues to qualify until there is a change in ownership of the property.

Effective for assessment year 2006 and thereafter, taxes payable in 2007 and thereafter.