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## Overview

Under current law, the surviving spouse of a veteran is eligible for the disabled veterans homestead exclusion for 8 years if a veteran is killed in action, or when a veteran who was collecting the 100% total and permanent disability benefit dies. This bill eliminates the 8 year limitation on the spousal benefit. In addition, for veterans dying after December 31, 2011, HF 119 allows a surviving spouse to apply for this benefit if at the time of death, the veteran qualified for but did not collect the 100% total and permanent disability benefit, or the spouse is receiving dependency and indemnity compensation (DIC). DIC is awarded to a surviving spouse if a service member dies in the line of duty or from a service-related injury or disease.

### Section

**1 Homestead of disabled veteran or family caregiver.** Provides for the following modifications to the disabled veterans homestead exclusion:

- The changes to paragraphs (c) and (d) eliminate the 8 year limit on the spousal carryover of the exclusion for a 100% total and permanently disabled veteran's surviving spouse, or the surviving spouse of a veteran who was killed in action.
- Paragraph (k) contains proposed language that creates a separate spousal eligibility for the exclusion. For veterans dying after December 31, 2011, within two years of the death of the veteran or by June 1, 2019, the spouse may apply for the benefit if (1) the spouse is receiving dependency and indemnity compensation or (2) at the time of

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death, the veteran would have been eligible for the 100% total and permanent disability benefit, but had not applied for or collected that benefit.

- The proposed changes to the exclusion would be effective for taxes payable in 2018.