

SB 500 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Prepared By: Chris Allanach, Legislative Revenue Officer

Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Increases the property tax exemption for property of veterans with disabilities from \$15,000 to \$60,000; for veterans with service-connected disability of at least 40 percent but less than 100%, from \$18,000 to \$65,000; and for veterans with service-connected disability of at least 100 percent from \$18,000 to \$150,000. Allows counties to create eligibility limits related to annual gross income for the latter group; if found not eligible, a taxpayer would be allowed the lesser exemption amount.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This bill modifies a provision included in the current Tax Expenditure Report, item 2.109. Eligible veterans or their surviving spouses may file a claim for the exemption. Requirements include that the taxpayer must own and live on the property; surviving spouses are allowed the exemption unless they have remarried. The base exemption amounts are increased by three percent annually. For tax year 2017-18, the base exemption was \$21,386 and the service-connected exemption was \$25,665.