

Market Value Exclusion on Homestead Property of Disabled Veterans, Primary Family Caregivers, and Surviving Spouses of Veterans and Service Members

13

Property Tax Fact Sheet 13

Fact Sheet

This program provides a market value exclusion for property tax purposes for the homestead property of an honorably discharged veteran who has a service-connected disability rating of 70 percent or higher, surviving spouses of qualifying veterans and service members, and primary family caregivers of qualifying veterans.

What's New in 2014

Starting July 1, 2014, qualifying spouses or caregivers may receive the exclusion for up to eight years (instead of five years).

What is the Market Value Exclusion?

The program provides an annual market value exclusion of up to \$300,000 on homestead property of qualifying permanently and totally disabled veterans (including veterans with permanent individual unemployability), surviving spouses of permanently and totally disabled veterans who previously received this exclusion, surviving spouses of service members who die while in active service, and primary family caregivers of qualifying disabled veterans.

The program provides an annual market value exclusion of up to \$150,000 for properties owned by veterans with 70 percent or greater disability, or qualifying primary family caregivers.

What are the qualifications?

For honorably discharged veterans with a service-connected disability of 70 percent or more, the property must be the homestead of the qualified veteran in order to receive this value exclusion.

To qualify, the veteran must have been honorably discharged from the United States armed forces as indicated by United States Government Form DD214 or other official military discharge papers, and must be certified by the United States Department of Veterans Affairs as having a service-connected disability.

Qualifying veterans with a 70 percent disability rating or higher are eligible for a market value exclusion of \$150,000. Qualifying veterans who are totally (100 percent) and permanently disabled are eligible for a market value exclusion of \$300,000.

Surviving spouses of permanently and totally disabled veterans who received this exclusion prior to passing away are eligible to continue the maximum \$300,000 exclusion in the year of the veteran's death, as well as eight additional taxes payable years, or until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property – whichever comes first.

A spouse of a member of any branch or unit of the U.S. Armed Forces who died due to a service-connected cause while serving honorably in active service may qualify for an exclusion up to \$300,000 for up to eight taxes payable years or until such time as the surviving spouse remarries, or sells, transfers, or otherwise disposes of the property – whichever comes first.

A homestead of a Primary Family Caregiver of an honorably-discharged veteran with a service-connected disability of 70 percent or more who does not own homestead property in Minnesota is eligible for the same level benefit as the veteran would be.

A Primary Family Caregiver is an individual approved by the U.S. Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers (U.S. Code, title 38, section 1720G).

How do I apply?

Applications are available in your County Assessor's office. You must apply by July 1 to qualify for the exclusion on the current year's market value for taxes payable next year (except for manufactured homes assessed as personal property, which are taxed in the same year they are assessed). For example, in order to qualify for value exclusion for the 2014 assessment, you must apply by July 1, 2014. The exclusion will then affect your taxes payable in 2015.

Applications are due annually, except for veterans with a total (100 percent) and permanent disability. Any application received after July 1 of the assessment year will be considered effective for the following assessment year.

Surviving spouses of service members who die in active duty may apply for initial exclusion within two years of the death of the service member.

What information do I need to supply?

Qualifying veterans must supply the U.S. Government Form DD214 or other official military discharge papers, as well as documentation from the Veterans Affairs (VA) department verifying disability status. The VA may also provide a letter that encompasses all required information (both discharge and disability). **If you need any of this documentation, please contact the VA.**

Surviving spouses of veterans who had total (100 percent) and permanent disability would need to supply documentation describing their benefits as surviving spouses of permanently and totally disabled veterans, and may need to verify with the assessor that the property had previously qualified for exclusion under the veteran's qualifications.

Surviving spouses of service members who die while serving honorably in active service will need supply either the U.S. Government Form DD1300 or DD2064. If necessary, the assessor may also ask for verification of Dependent Indemnity Compensation or other benefits letters issued by the VA.

Primary Family Caregivers will need to supply certification that they qualify for benefits described under the Program of Comprehensive Assistance for Family Caregivers as part of the annual application. Primary Family Caregivers will also need to supply information necessary to verify the discharge and disability status of the qualifying veteran.

Other Information

In the case of agricultural homesteads, only the house, garage, and immediately surrounding one acre of land will qualify for the exclusion.

If a property qualifies for this market value exclusion, the property **does not** receive the residential homestead market value exclusion provided under Minnesota Statute 273.13, subdivision 35.

What if I have questions?

This is only a summary of the Valuation Exclusion on Homestead Property for Disabled Veterans program. For more information, or for answers to specific questions, contact your county assessor's office.

For questions related to your disability and the forms that are required to be submitted with the application, you may speak with your County Veteran's Service Officer.