

March 21, 2005

H 816. PROPERTY TAX EXCLUSION DISABLED VETERANS. TO PROVIDE A PROPERTY TAX EXCLUSION FOR HONORABLY DISCHARGED DISABLED VETERANS AND THEIR SURVIVING SPOUSES, AND TO REIMBURSE LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS. Under current law, disabled veterans who receive a federal grant for specially adapted housing are entitled to a \$38,000 property tax homestead exclusion. This act repeals the current exclusion and replaces it with a new property tax homestead exclusion that differs as follows: (1) an honorably discharged veteran who is federally certified as permanently and totally disabled may qualify for the exclusion even if the veteran has not received a federal grant for specially adapted housing; (2) the amount of the exclusion is the greater of \$48,000 or one-half the appraised value of the residence; (3) the exclusion carries over to any surviving spouse until remarriage; (4) the veteran may take either the general homestead exclusion for the disabled or the new disabled veterans' exclusion, but not both; and (5) provisions address multiple ownership, proof of eligibility, and temporary absence. An application for the exclusion is due by June 1, but an extension until September 1, 2005, is granted for applications filed in 2005. The act requires the State to reimburse counties and cities by May 31, 2006, for the amount of property taxes lost due to the exclusion in 2005-06. The State will pay cities and counties an amount each May 31 thereafter. The cost of the reimbursement and its administration is annually appropriated. Effective beginning with the 2005-06 property tax year.

Intro. by Pate, McGee, Sutton, Underhill.

Ref. to Finance

GS 105, APPROP