

March 5, 2007

H 486. PROPERTY TAX EXCLUSION FOR DISABLED VETERANS. Filed 3/5/07. *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 exclusion for their residence.

This act repeals the current exclusion and replaces it with a new property tax exclusion, GS 105-277.1B, 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 from the residence. Prescribes filing an application for the exclusion during the regular listing period but provides for acceptance of an application filed at anytime up to June 1 in the year that precedes the tax year for which the exclusion is claimed. Grants an extension until September 1, 2007, for applications filed in the 2007-08 tax year. The act requires the state to reimburse counties and cities by May 31, 2008, for the amount of property taxes lost due to the exclusion in 2007-08. The state will pay cities and counties the same amount by each May 31 thereafter. The cost of the reimbursement and its administration is annually appropriated. Effective for property taxes imposed for taxable years beginning July 1, 2007.

Intro. by McGee, Holliman, J. Harrell, Pate.

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