

1 **PROPERTY TAX EXEMPTION FOR VETERANS**

2 2005 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Gregory H. Hughes**

6 **LONG TITLE**

7 **General Description:**

8 This bill amends provisions of the Property Tax Act regarding the property tax
9 exemption relating to a disabled veteran, a veteran who is killed in action or dies in the
10 line of duty, and an unmarried surviving spouse or minor orphan of a disabled veteran
11 or a veteran who was killed in action or died in the line of duty.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ removes the \$82,500 limitation on the property tax exemption relating to disabled
15 veterans and veterans who are killed in action or die in the line of duty;

16 ▶ provides that the property tax exemption relating to a disabled veteran with a
17 service related disability of 10% or more is equal to the greater of:

18 • the percentage of the service related disability multiplied by the value of the
19 property entitled to the exemption;

20 • the percentage of the service related disability multiplied by \$82,500; or

21 • if the veteran served in the military prior to January 1, 1921, 100% of the value
22 of the property entitled to the exemption;

23 ▶ provides that the property tax exemption relating to a veteran who is killed in action
24 or dies in the line of duty, or that veteran's unmarried surviving spouse or minor
25 orphan, is equal to 100% of the value of the property entitled to the exemption;

26 ▶ provides that the property tax exemption relating to disabled veterans and veterans
27 who are killed in action or die in the line of duty may not exceed the total value of



28 the property entitled to the exemption; and

29 ▶ makes technical changes.

30 **Monies Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 None

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **59-2-1104**, as last amended by Chapter 333, Laws of Utah 2004



38 *Be it enacted by the Legislature of the state of Utah:*

39 Section 1. Section **59-2-1104** is amended to read:

40 **59-2-1104. Definitions -- Veteran's exemption -- Amount of veteran's exemption.**

41 (1) As used in this section and Section 59-2-1105:

42 (a) "claimant" means:

43 (i) a disabled veteran who files an application under Section 59-2-1105 for a veteran's
44 exemption;

45 (ii) the unmarried surviving spouse:

46 (A) of a:

47 (I) deceased disabled veteran; or

48 (II) veteran who was killed in action or died in the line of duty; and

49 (B) who files an application under Section 59-2-1105 for a veteran's exemption;

50 (iii) a minor orphan:

51 (A) of a:

52 (I) deceased disabled veteran; or

53 (II) veteran who was killed in action or died in the line of duty; and

54 (B) who files an application under Section 59-2-1105 for a veteran's exemption;

55 (b) "deceased disabled veteran" means a deceased person who was a disabled veteran
56 at the time the person died;

57 (c) "disabled veteran" means a disabled person who, during military training or a
58 military conflict, was disabled in the line of duty in the military service of the United States or

59 the state;

60 (d) "military entity" means:

61 (i) the federal Department of Veterans Affairs; or

62 (ii) a component of the armed forces of:

63 (A) the United States; or

64 (B) the state;

65 (e) "residence" is as defined in Section 59-2-1202, except that a rented dwelling is not
66 considered to be a residence;

67 (f) "veteran who was killed in action or died in the line of duty" means a person who
68 was killed in action or died in the line of duty in the military service of the United States or the
69 state, regardless of whether that person was disabled at the time that person was killed in action
70 or died in the line of duty; and

71 (g) "veteran's exemption" means a property tax exemption provided for in Subsection
72 (2).

73 (2) (a) The amount of taxable value of the property described in Subsection (2)(b) is
74 exempt from taxation as calculated under Subsections (2)(c) through (e) if the property
75 described in Subsection (2)(b) is owned by:

76 (i) a disabled veteran; or

77 (ii) the unmarried surviving spouse [~~and~~] or a minor [~~orphans~~] orphan of a:

78 (A) deceased disabled veteran; or

79 (B) veteran who was killed in action or died in the line of duty.

80 (b) Subsection (2)(a) applies to the following property:

81 (i) real property, including a residence;

82 (ii) tangible personal property; or

83 (iii) a combination of Subsections (2)(b)(i) and (ii).

84 (c) Except as provided in Subsection (2)(d) or (e), the amount of taxable value of
85 property described in Subsection (2)(b) that is exempt under Subsection (2)(a) is [~~equal to the~~
86 ~~lesser of~~]:

87 [~~(i) the product of:~~

88 [~~(A) the percentage of disability listed on the certificate described in Subsection~~

89 ~~59-2-1105(3)(a); and]~~

90 ~~[(B) \$82,500; or]~~

91 (i) as described in Subsection (2)(f), if the property is owned by:

92 (A) a disabled veteran;

93 (B) the unmarried surviving spouse of a deceased disabled veteran; or

94 (C) a minor orphan of a deceased disabled veteran; or

95 (ii) equal to the total taxable value of the claimant's property described in Subsection
96 (2)(b)[-] if the property is owned by:

97 (A) the unmarried surviving spouse of a veteran who was killed in action or died in the
98 line of duty; or

99 (B) a minor orphan of a veteran who was killed in action or died in the line of duty.

100 (d) Notwithstanding Subsection (2)(c)(i), a veteran's exemption may not be allowed
101 under this Subsection (2) if the percentage of disability listed on the certificate described in
102 Subsection 59-2-1105(3)(a) is less than 10%.

103 (e) ~~[(f)]~~ Notwithstanding Subsection (2)(c)(i), a claimant who is the unmarried
104 surviving spouse or minor orphan of a deceased disabled veteran may claim a veteran's
105 exemption ~~[as provided in Subsection (2)(e)(ii)]~~ for the total value of the property described in
106 Subsection (2)(b) if:

107 (A) the deceased disabled veteran served in the military service of the United States or
108 the state prior to January 1, 1921; and

109 (B) the percentage of disability listed on the certificate described in Subsection
110 59-2-1105(3)(a) for the deceased disabled veteran is 10% or more.

111 ~~[(ii) For purposes of Subsection (2)(e)(i), the amount of taxable value of property~~
112 ~~described in Subsection (2)(b) that is exempt under Subsection (2)(a) is equal to the lesser of:]~~

113 ~~[(A) \$82,500; or]~~

114 ~~[(B) the total taxable value of the claimant's property described in Subsection (2)(b).]~~

115 (f) Except as provided in Subsection (2)(g), the amount of the taxable value of the
116 property described in Subsection (2)(b) that is exempt under Subsection (2)(c)(i) is the greater
117 of:

118 (i) the percentage of disability listed on the certificate described in Subsection
119 59-2-1105(3)(a) multiplied by the taxable value of the property described in Subsection (2)(b);
120 or

121 (ii) the percentage of disability listed on the certificate described in Subsection
122 59-2-1105(3)(a) multiplied by \$82,500.

123 (g) Notwithstanding Subsection (f), the amount of the taxable value of the property
124 described in Subsection (2)(b) that is exempt under Subsection (2)(c)(i) may not be greater than
125 the taxable value of the property described in Subsection (2)(b).

Legislative Review Note

as of 1-25-05 4:27 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0147

Property Tax Exemption for Veterans

02-Feb-05

5:07 PM

State Impact

Passage of this bill could increase costs to local governments. The fiscal impact would be dependent upon the number of veterans or family members claiming the exemption.

Individual and Business Impact

Impacted individuals could receive benefits dependent on the provisions of the bill.

Office of the Legislative Fiscal Analyst