

DISABLED VETERANS PROPERTY TAX

EXEMPTION AMENDMENTS

2010 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gregory H. Hughes

Senate Sponsor: Margaret Dayton

LONG TITLE

General Description:

This bill modifies a provision relating to a property tax exemption for disabled veterans and their families.

Highlighted Provisions:

This bill:

- ▶ modifies a provision relating to a disabled veteran's eligibility for the veteran's property tax exemption;
- ▶ creates a United States citizenship presumption for an honorably discharged veteran; and
- ▶ requires the Department of Veterans' Affairs to resolve a dispute concerning a veteran's status as a disabled veteran.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-2-1104, as last amended by Laws of Utah 2005, Chapter 237



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

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

30 **59-2-1104. Definitions -- Veteran's exemption -- Amount of veteran's exemption.**

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

32 (a) "adjusted taxable value limit" means:

33 (i) for the year 2005, \$200,000; and

34 (ii) for each year after 2005, the amount of the adjusted taxable value limit for the
35 previous year, plus an amount calculated by multiplying the amount of the adjusted taxable
36 value limit for the previous year by the actual percent change in the Consumer Price Index
37 during the previous calendar year;

38 (b) "claimant" means:

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

41 (ii) the unmarried surviving spouse:

42 (A) of a:

43 (I) deceased disabled veteran; or

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

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

46 (iii) a minor orphan:

47 (A) of a:

48 (I) deceased disabled veteran; or

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

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

51 (c) "consumer price index" is as described in Section 1(f)(4), Internal Revenue Code,
52 and defined in Section 1(f)(5), Internal Revenue Code;

53 (d) "deceased disabled veteran" means a deceased person who was a disabled veteran
54 at the time the person died;

55 (e) "disabled veteran" means a disabled person who, during military training or a
56 military conflict, was disabled in the line of duty in the military service of the United States or
57 the state;

58 (f) "military entity" means:

- 59 (i) the federal Department of Veterans Affairs; or
- 60 (ii) a component of the armed forces of:
 - 61 (A) the United States; or
 - 62 (B) the state;
- 63 (g) "residence" is as defined in Section 59-2-1202, except that a rented dwelling is not
- 64 considered to be a residence;
- 65 (h) "veteran who was killed in action or died in the line of duty" means a person who
- 66 was killed in action or died in the line of duty in the military service of the United States or the
- 67 state, regardless of whether that person was disabled at the time that person was killed in action
- 68 or died in the line of duty; and
- 69 (i) "veteran's exemption" means a property tax exemption provided for in Subsection
- 70 (2).
- 71 (2) (a) The amount of taxable value of the property described in Subsection (2)(b) is
- 72 exempt from taxation as calculated under Subsections (2)(c) through (e) if the property
- 73 described in Subsection (2)(b) is owned by:
 - 74 (i) a disabled veteran; or
 - 75 (ii) the unmarried surviving spouse or a minor orphan of a:
 - 76 (A) deceased disabled veteran; or
 - 77 (B) veteran who was killed in action or died in the line of duty.
- 78 (b) Subsection (2)(a) applies to the following property:
 - 79 (i) the claimant's primary residence;
 - 80 (ii) tangible personal property that:
 - 81 (A) is held exclusively for personal use; and
 - 82 (B) is not used in a trade or business; 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:
 - 86 (i) as described in Subsection (2)(f), if the property is owned by:
 - 87 (A) a disabled veteran;
 - 88 (B) the unmarried surviving spouse of a deceased disabled veteran; or
 - 89 (C) a minor orphan of a deceased disabled veteran; or

90 (ii) equal to the total taxable value of the claimant's property described in Subsection
91 (2)(b) if the property is owned by:

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

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

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

98 (ii) A disabled veteran is considered to be 100% disabled, regardless of the percentage
99 of disability listed on a certificate described in Subsection 59-2-1105(3)(a), if the United States
100 Department of Veterans Affairs certifies the veteran in the classification of individual
101 unemployability.

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

105 (i) the deceased disabled veteran served in the military service of the United States or
106 the state prior to January 1, 1921; and

107 (ii) the percentage of disability listed on the certificate described in Subsection
108 59-2-1105(3)(a) for the deceased disabled veteran is 10% or more.

109 (f) Except as provided in Subsection (2)(g), the amount of the taxable value of the
110 property described in Subsection (2)(b) that is exempt under Subsection (2)(c)(i) is equal to the
111 percentage of disability listed on the certificate described in Subsection 59-2-1105(3)(a)
112 multiplied by the adjusted taxable value limit.

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

116 (h) For purposes of this section and Section 59-2-1105, a person who is honorably
117 discharged from military service of the United States or the state:

118 (i) is presumed to be a citizen of the United States; and

119 (ii) ~~shall~~ **may** ~~not be required to provide additional proof of citizenship to~~
119a establish that the
120 veteran is a citizen of the United States.

121 (3) The Department of Veterans' Affairs created in Section 71-8-2 shall, through an
122 informal hearing held in accordance with Title 63G, Chapter 4, Administrative Procedures Act,
123 resolve each dispute arising under this section concerning a veteran's status as a disabled
124 veteran.

Legislative Review Note
as of 2-5-10 1:32 PM

Office of Legislative Research and General Counsel

H.B. 316 - Disabled Veterans Property Tax Exemption Amendments

Fiscal Note

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or businesses. There could be a slight reduction in property taxes for local governments.
