

1 **ARMED FORCES PROPERTY TAX EXEMPTION**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Luz Robles**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill expands a property tax exemption related to military members.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ defines terms and modifies definitions;

13 ▶ expands a property tax exemption related to military members to include certain

14 members of the armed forces who performed ~~§~~→ **qualifying active duty** ←~~§~~ military service ~~§~~→ [

14a **in a combat zone in**

15 **the prior year]** ←~~§~~ ; and

16 ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill provides a contingent effective date of January 1, 2013.

21 **Utah Code Sections Affected:**

22 **AMENDS:**

23 **59-2-1104**, as last amended by Laws of Utah 2011, Chapter 366

24 **59-2-1105**, as last amended by Laws of Utah 2011, Chapter 366

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

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



28 **59-2-1104. Definitions -- Armed Forces exemption -- Amount of Armed Forces**
 29 **exemption.**

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

31 (a) "Active component of the United States Armed Forces" is as defined in Section
 32 59-10-1027.

33 [~~(a)~~] (b) "Adjusted taxable value limit" means:

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

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

39 [~~(b)~~] (c) "Claimant" means:

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

42 (ii) the unmarried surviving spouse:

43 (A) of a:

44 (I) deceased veteran with a disability; or

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

46 (B) who files an application under Section 59-2-1105 for a veteran's exemption; [~~or~~]

47 (iii) a minor orphan:

48 (A) of a:

49 (I) deceased veteran with a disability; or

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

51 (B) who files an application under Section 59-2-1105 for a veteran's exemption[~~;~~]; or

52 (iv) a member of an active component of the United States Armed Forces or a reserve
 53 component of the United States Armed Forces who performed ~~§~~→ **qualifying active duty**

53a ←~~§~~ **military service** ~~§~~→ **[in a combat**

54 **zone in the prior year]** ←~~§~~ .

55 (d) "Combat zone" is as defined in Section 59-10-1027.

56 [~~(e)~~] (e) "Consumer price index" is as described in Section 1(f)(4), Internal Revenue
 57 Code, and defined in Section 1(f)(5), Internal Revenue Code.

58 [~~(f)~~] (f) "Deceased veteran with a disability" means a deceased person who was a

59 veteran with a disability at the time the person died.

60 ~~[(e)]~~ (g) "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 (ii) an active component of the United States Armed Forces; or

66 (iii) a reserve component of the United States Armed Forces.

67 ~~§→ [(h) "Military service in a combat zone" is as defined in Section 59-10-1027.]~~

67a **(h) "Qualifying active duty military service" means:**

67b **(i) at least 200 days in a calendar year, regardless of whether consecutive, of active duty**

67c **military service outside the state in an active component of the United States Armed Forces or**

67d **a reserve component of the United States Armed Forces; or**

67e **(ii) the completion of at least 200 consecutive days of active duty military service outside**

67f **the state:**

67g **(A) in an active component of the United States Armed Forces or a reserve**

67h **component of the United States Armed Forces; and**

67i **(B) that began in the prior year, if those days of active duty military service**

67j **outside the state in the prior year were not counted as qualifying active duty military service**

67k **for purposes of this section or Section 59-2-1105 in the prior year. ←§**

68 (i) "Reserve component of the United States Armed Forces" is as defined in Section

69 59-10-1027.

70 ~~[(f)]~~ (j) "Residence" is as defined in Section 59-2-1202, except that a rented dwelling is

71 not considered to be a residence.

72 ~~[(g)]~~ (k) "Veteran who was killed in action or died in the line of duty" means a person

73 who was killed in action or died in the line of duty in ~~[the military service of the United States~~

74 ~~or the state]~~ an active component of the United States Armed Forces or a reserve component of

75 the United States Armed Forces, regardless of whether that person had a disability at the time

76 that person was killed in action or died in the line of duty.

77 ~~[(h)]~~ (l) "Veteran with a disability" means a person with a disability who, during

78 military training or a military conflict, acquired a disability in the line of duty in ~~[the military~~

79 ~~service of the United States or the state]~~ an active component of the United States Armed

80 Forces or a reserve component of the United States Armed Forces.

81 ~~[(i)]~~ (m) "Veteran's exemption" means a property tax exemption provided for in

90 (iii) a member of an active component of the United States Armed Forces or a reserve
 91 component of the United States Armed Forces who performed ~~§~~→ **qualifying active duty**
 91a ~~←~~§ military service ~~§~~→ **[in a combat**
 92 **zone in the prior year]** ~~←~~§ .

93 (b) Subsection (2)(a) applies to the following property:
 94 (i) the claimant's primary residence;
 95 (ii) tangible personal property that:
 96 (A) is held exclusively for personal use; and
 97 (B) is not used in a trade or business; or
 98 (iii) a combination of Subsections (2)(b)(i) and (ii).
 99 (c) Except as provided in Subsection (2)(d) or (e), the amount of taxable value of
 100 property described in Subsection (2)(b) that is exempt under Subsection (2)(a) is:
 101 (i) as described in Subsection (2)(f), if the property is owned by:
 102 (A) a veteran with a disability;
 103 (B) the unmarried surviving spouse of a deceased veteran with a disability; or
 104 (C) a minor orphan of a deceased veteran with a disability; or
 105 (ii) equal to the total taxable value of the claimant's property described in Subsection
 106 (2)(b) if the property is owned by:
 107 (A) the unmarried surviving spouse of a veteran who was killed in action or died in the
 108 line of duty; [or]
 109 (B) a minor orphan of a veteran who was killed in action or died in the line of duty[-];
 110 or

111 (C) a member of an active component of the United States Armed Forces or a reserve
 112 component of the United States Armed Forces who performed ~~§~~→ **qualifying active duty**
 112a ~~←~~§ military service ~~§~~→ **[in a combat**
 113 **zone in the prior year]** ~~←~~§ .

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

118 (ii) A veteran with a disability is considered to have a 100% disability, regardless of
 119 the percentage of disability listed on a certificate described in Subsection 59-2-1105(3)(a), if
 120 the United States Department of Veterans' Affairs certifies the veteran in the classification of

214 extend the deadline for filing the application required by Subsection (2)(a) to September 1 of
 215 the year after the year the claimant would otherwise be required to file the application under
 216 Subsection (2)(a)(i)(B) if the county legislative body determines that:

217 (A) the claimant or a member of the claimant's immediate family had an illness or
 218 injury that prevented the claimant from filing the application on or before the deadline for
 219 filing the application established in Subsection (2)(a)(i)(B);

220 (B) a member of the claimant's immediate family died during the calendar year the
 221 claimant was required to file the application under Subsection (2)(a)(i)(B);

222 (C) the claimant was not physically present in the state for a time period of at least six
 223 consecutive months during the calendar year the claimant was required to file the application
 224 under Subsection (2)(a)(i)(B); or

225 (D) the failure of the claimant to file the application on or before the deadline for filing
 226 the application established in Subsection (2)(a)(i)(B):

227 (I) would be against equity or good conscience; and

228 (II) was beyond the reasonable control of the claimant; and

229 (iv) a county may extend the deadline for filing an application or amending an
 230 application under this Subsection (2) until December 31 if the county finds that good cause
 231 exists to extend the deadline.

232 (c) The following shall accompany the initial application for ~~[a veteran's]~~ an exemption
 233 under Section 59-2-1104:

234 (i) a copy of the veteran's certificate of discharge from ~~[the]~~ military service ~~[of:]; or~~
 235 ~~[(A) the United States; or]~~

236 ~~[(B) this state; or]~~

237 (ii) other satisfactory evidence of eligible military service, including ~~§~~ **orders for**
 237a **qualifying active duty** ~~←§~~ military service ~~§~~ **[in**
 238 **a combat zone]** ~~←§~~ , if applicable.

239 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 240 commission may by rule:

241 (i) establish procedures and requirements for amending an application under
 242 Subsection (2)(b)(ii);

243 (ii) for purposes of Subsection (2)(b)(iii), define the terms:

244 (A) "immediate family"; or

245 (B) "physically present"; or
 246 (iii) for purposes of Subsection (2)(b)(iii), prescribe the circumstances under which the
 247 failure of a claimant to file an application on or before the deadline for filing the application
 248 established in Subsection (2)(a)(i)(B):

249 (A) would be against equity or good conscience; and

250 (B) is beyond the reasonable control of a claimant.

251 (e) ~~[H]~~ Except as provided in Subsection (2)(g), if a claimant has on file with the
 252 county the application described in Subsection (2)(a), the county may not require the claimant
 253 to file another application described in Subsection (2)(a) unless:

254 (i) the claimant applies all or a portion of an exemption ~~[allowed by this section]~~ under
 255 Section 59-2-1104 to any tangible personal property;

256 (ii) the percentage of disability has changed for the:

257 (A) veteran with a disability; or

258 (B) deceased veteran with a disability with respect to whom a claimant applies for a
 259 veteran's exemption under this section;

260 (iii) the veteran with a disability dies;

261 (iv) the claimant's ownership interest in the claimant's primary residence changes;

262 (v) the claimant's occupancy of the primary residence for which the claimant claims an
 263 exemption under Section 59-2-1104 changes; or

264 (vi) the claimant who files an application for ~~[a veteran's]~~ an exemption under Section
 265 59-2-1104 with respect to a deceased veteran with a disability or veteran who was killed in
 266 action or died in the line of duty is a person other than the claimant who filed the application
 267 described in Subsection (2)(a) for ~~[a veteran's]~~ the exemption:

268 (A) for the calendar year immediately preceding the current calendar year; and

269 (B) with respect to that deceased veteran with a disability or veteran who was killed in
 270 action or died in the line of duty.

271 (f) The county may verify that the residential property for which the claimant claims an
 272 exemption under Section 59-2-1104 is the claimant's primary residence.

273 (g) A member of an active component of the United States Armed Forces or reserve
 274 component of the United States Armed Forces who performed ~~§~~ **→ qualifying active duty**

274a ~~←~~ ~~§~~ military service ~~§~~ **→ [in a combat**

275 zone in the prior year] ~~←~~ ~~§~~ shall ~~§~~ **→ [annually]** :

275a (i) ← ~~§~~ file the application described in Subsection (2)(a) ~~§~~ **→ [:] in the year after the year**
 275b during which the member completes the qualifying active duty military service; and

275c (ii) if the member meets the requirements of Section 59-2-1104 and this section to
275d receive an exemption under Section 59-2-1104, claim one exemption only in the year the
275e member files the application described in Subsection (2)(g)(i). ←§