

VETERAN PROPERTY TAX AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Candice B. Pierucci

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the veteran armed forces property tax exemption.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ increases the amount of taxable value that a disabled veteran may have exempted from property tax;
- ▶ provides that a veteran with a 100% service-connected disability that is permanent and total may choose between the existing exemption from property tax or an exemption equal to 100% of the taxable value of the veteran's primary residence;
- ▶ provides the circumstances under which a veteran who exercises a choice between the existing property tax exemption and a 100% primary residential exemption has to reapply for the exemption; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:



- 28 **59-2-1901**, as enacted by Laws of Utah 2019, Chapter 453
- 29 **59-2-1903**, as enacted by Laws of Utah 2019, Chapter 453
- 30 **59-2-1904**, as enacted by Laws of Utah 2019, Chapter 453

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

33 Section 1. Section **59-2-1901** is amended to read:

34 **59-2-1901. Definitions.**

35 As used in this section:

36 (1) "Active component of the United States Armed Forces" means the same as that
37 term is defined in Section **59-10-1027**.

38 (2) "Active duty claimant" means a member of an active component of the United
39 States Armed Forces or a reserve component of the United States Armed Forces who:

40 (a) performed qualifying active duty military service; and

41 (b) applies for an exemption described in Section **59-2-1902**.

42 (3) "Adjusted taxable value limit" means:

43 (a) for the calendar year that begins on January 1, [~~2015, \$252,126~~] 2023, \$479,504; or

44 (b) for each calendar year after the calendar year that begins on January 1, [~~2015~~] 2023,
45 the amount of the adjusted taxable value limit for the previous year plus an amount calculated
46 by multiplying the amount of the adjusted taxable value limit for the previous year by the
47 actual percent change in the consumer price index during the previous calendar year.

48 (4) "Consumer price index" means the same as that term is described in Section 1(f)(4),
49 Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue Code.

50 (5) "Deceased veteran with a disability" means a deceased individual who was a
51 veteran with a disability at the time the individual died.

52 (6) "Military entity" means:

53 (a) the United States Department of Veterans Affairs;

54 (b) an active component of the United States Armed Forces; or

55 (c) a reserve component of the United States Armed Forces.

56 (7) "Primary residence" includes the residence of a individual who does not reside in
57 the residence if the individual:

58 (a) does not reside in the residence because the individual is admitted as an inpatient at

59 a health care facility as defined in Section 26-55-102; and

60 (b) otherwise meets the requirements of this part.

61 (8) "Qualifying active duty military service" means at least 200 days, regardless of
62 whether consecutive, in any continuous 365-day period of active duty military service outside
63 the state in an active component of the United States Armed Forces or a reserve component of
64 the United States Armed Forces, if the days of active duty military service:

65 (a) were completed in the year before an individual applies for an exemption described
66 in Section 59-2-1902; and

67 (b) have not previously been counted as qualifying active duty military service for
68 purposes of qualifying for an exemption described in Section 59-2-1902 or applying for the
69 exemption described in Section 59-2-1902.

70 (9) "Statement of disability" means the statement of disability described in Section
71 59-2-1904.

72 (10) "Reserve component of the United States Armed Forces" means the same as that
73 term is defined in Section 59-10-1027.

74 (11) "Residence" means real property where an individual resides, including:

75 (a) a mobile home, as defined in Section 41-1a-102; or

76 (b) a manufactured home, as defined in Section 41-1a-102.

77 (12) "Veteran claimant" means one of the following individuals who applies for an
78 exemption described in Section 59-2-1903:

79 (a) a veteran with a disability;

80 (b) the unmarried surviving spouse:

81 (i) of a deceased veteran with a disability; or

82 (ii) a veteran who was killed in action or died in the line of duty; or

83 (c) a minor orphan:

84 (i) of a deceased veteran with a disability; or

85 (ii) a veteran who was killed in action or died in the line of duty.

86 (13) "Veteran who was killed in action or died in the line of duty" means an individual
87 who was killed in action or died in the line of duty in an active component of the United States
88 Armed Forces or a reserve component of the United States Armed Forces, regardless of
89 whether that individual had a disability at the time that individual was killed in action or died

90 in the line of duty.

91 (14) "Veteran with a disability" means an individual with a disability who, during
92 military training or a military conflict, acquired a disability in the line of duty in an active
93 component of the United States Armed Forces or a reserve component of the United States
94 Armed Forces, as determined by a military entity.

95 Section 2. Section **59-2-1903** is amended to read:

96 **59-2-1903. Veteran armed forces exemption -- Amount.**

97 (1) As used in this section:~~["eligible property" means property owned by a veteran~~
98 ~~claimant that is:]~~

99 ~~[(a) the veteran claimant's primary residence; or]~~

100 ~~[(b) tangible personal property that:]~~

101 ~~[(i) is held exclusively for personal use; and]~~

102 ~~[(ii) is not used in a trade or business.]~~

103 (a) "Eligible property" means:

104 (i) residential property; and

105 (ii) tangible personal property that the veteran claimant:

106 (A) owns;

107 (B) holds exclusively for personal use; and

108 (C) does not use in a trade or business.

109 (b) "Qualifying disabled veteran claimant" means a veteran claimant who has a 100%
110 service-connected disability rating by the Veterans Benefits Administration that is permanent
111 and total.

112 (c) "Residential property" means a residence that:

113 (i) the veteran claimant owns; and

114 (ii) is the veteran claimant's primary residence.

115 ~~[(2) In accordance with this part, the amount of taxable value of eligible property~~
116 ~~described in Subsection (3) or (4) is exempt from taxation if the eligible property is owned by a~~
117 ~~veteran claimant.]~~

118 ~~[(3)]~~ (2) (a) Except as provided in [Subsection (4) and in accordance with this
119 Subsection (3), the amount of] Subsection (3), a veteran claimant other than a qualifying
120 disabled veteran claimant may claim an exemption against the taxable value of eligible

121 property [~~that is exempt under Subsection (2) is~~] in an amount equal to the percentage of
122 disability described in the statement of disability multiplied by the adjusted taxable value limit.

123 (b) The amount of an exemption calculated under Subsection [~~(3)(a)~~] (2)(a) may not
124 exceed the taxable value of the eligible property.

125 (c) A county shall consider a veteran with a disability to have a 100% disability,
126 regardless of the percentage of disability described on the statement of disability, if the United
127 States Department of Veterans Affairs certifies the veteran in the classification of individual
128 unemployability.

129 (d) A county may not allow an exemption claimed under this [~~section~~] Subsection (2)
130 if the percentage of disability listed on the statement of disability is less than 10%.

131 [~~(4)~~]

132 (3) The amount of taxable value of eligible property that is exempt [~~under Subsection~~
133 ~~(2)~~] is equal to the total taxable value of the [~~veteran claimant's~~] eligible property if the
134 property is owned by:

135 (a) the unmarried surviving spouse of a veteran who was killed in action or died in the
136 line of duty;

137 (b) a minor orphan of a veteran who was killed in action or died in the line of duty; or

138 (c) the unmarried surviving spouse or minor orphan of a deceased veteran with a
139 disability:

140 (i) who served in the military service of the United States or the state prior to January
141 1, 1921; and

142 (ii) whose percentage of disability described in the statement of disability is 10% or
143 more.

144 (4) A qualifying disabled veteran claimant is eligible to claim an exemption equal to
145 either:

146 (a) 100% of the total taxable value of the qualifying disabled veteran claimant's
147 residential property; or

148 (b) the exemption amount described in Subsection (2).

149 (5) For purposes of this section and Section 59-2-1904, an individual who received an
150 honorable or general discharge from military service of an active component of the United
151 States Armed Forces or a reserve component of the United States Armed Forces:

152 (a) is presumed to be a citizen of the United States; and
153 (b) may not be required to provide additional proof of citizenship to establish that the
154 individual is a citizen of the United States.

155 (6) The Department of Veterans and Military Affairs created in Section 71-8-2 shall,
156 through an informal hearing held in accordance with Title 63G, Chapter 4, Administrative
157 Procedures Act, resolve each dispute arising under this section concerning an individual's
158 status as a veteran with a disability.

159 Section 3. Section 59-2-1904 is amended to read:

160 **59-2-1904. Veteran armed forces exemption -- Application.**

161 (1) As used in this section, "default application deadline" means the application
162 deadline described in Subsection (3)(a).

163 (2) A veteran claimant may claim an exemption in accordance with Section 59-2-1903
164 and this section if the veteran claimant owns the property eligible for the exemption at any time
165 during the calendar year for which the veteran claimant claims the exemption.

166 (3) (a) Except as provided in Subsection (4) or (5), a veteran claimant shall, on or
167 before September 1 of the calendar year for which the veteran claimant is applying for the
168 exemption, file an application for an exemption described in Section 59-2-1903 with the county
169 in which the veteran claimant resides on September 1 of that calendar year.

170 (b) An application described in Subsection (3)(a) shall include:

171 (i) a copy of the veteran's certificate of discharge from military service or other
172 satisfactory evidence of eligible military service; and

173 (ii) for an application submitted under the circumstances described in Subsection
174 (5)(a), a statement, issued by a military entity, that gives the date on which the written decision
175 described in Subsection (5)(a) takes effect.

176 (c) A veteran claimant who is claiming an exemption for a veteran with a disability or a
177 deceased veteran with a disability, shall ensure that as part of the application described in this
178 Subsection (3), the county has on file, for the veteran related to the exemption, a statement of
179 disability:

180 (i) issued by a military entity; and

181 (ii) that lists the percentage of disability for the veteran with a disability or deceased
182 veteran with a disability.

183 (d) If a veteran claimant is in compliance with Subsection (3)(c), a county may not
184 require the veteran claimant to file another statement of disability, except under the following
185 circumstances:

186 (i) the percentage of disability has changed for the veteran with a disability or the
187 deceased veteran with a disability; or

188 (ii) the veteran claimant is not the same individual who filed an application for the
189 exemption for the calendar year immediately preceding the current calendar year.

190 (e) A county that receives an application described in Subsection (3)(a) shall, within 30
191 days after the day on which the county received the application, provide the veteran claimant
192 with a receipt that states that the county received the veteran claimant's application.

193 (4) A county may extend the default application deadline for an initial or amended
194 application until December 31 of the year for which the veteran claimant is applying for the
195 exemption if the county finds that good cause exists to extend the default application deadline.

196 (5) A county shall extend the default application deadline by one additional year if, on
197 or after January 4, 2004:

198 (a) a military entity issues a written decision that:

199 (i) (A) for a potential claimant who is a living veteran, determines the veteran is a
200 veteran with a disability; or

201 (B) for a potential claimant who is the unmarried surviving spouse or minor orphan of
202 a deceased veteran, determines the deceased veteran was a deceased veteran with a disability at
203 the time the deceased veteran with a disability died; and

204 (ii) takes effect in a year before the current calendar year; or

205 (b) the county legislative body determines that:

206 (i) the veteran claimant or a member of the veteran claimant's immediate family had an
207 illness or injury that prevented the veteran claimant from filing the application on or before the
208 default application deadline;

209 (ii) a member of the veteran claimant's immediate family died during the calendar year
210 of the default application deadline;

211 (iii) the veteran claimant was not physically present in the state for a time period of at
212 least six consecutive months during the calendar year of the default application deadline; or

213 (iv) the failure of the veteran claimant to file the application on or before the default

214 application deadline:

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

216 (B) was beyond the reasonable control of the veteran claimant.

217 (6) (a) A county shall allow a veteran claimant to amend an application described in
218 Subsection (3)(a) after the default application deadline if, on or after January 4, 2004, a military
219 entity issues a written decision:

220 (i) that the percentage of disability has changed:

221 (A) for a veteran with a disability, if the veteran with a disability is the veteran
222 claimant; or

223 (B) for a deceased veteran with a disability, if the claimant is the unmarried surviving
224 spouse or minor orphan of a deceased veteran with a disability; and

225 (ii) that takes effect in a year before the current calendar year.

226 (b) A veteran claimant who files an amended application under Subsection (6)(a) shall
227 include a statement, issued by a military entity, that gives the date on which the written
228 decision described in Subsection (6)(a) takes effect.

229 (7) After issuing the receipt described in Subsection (3)(e), a county may not require a
230 veteran claimant to file another application under Subsection (3)(a), except under the following
231 circumstances relating to the veteran claimant:

232 (a) the veteran claimant applies all or a portion of an exemption to tangible personal
233 property;

234 (b) the percentage of disability changes for a veteran with a disability or a deceased
235 veteran with a disability;

236 (c) the veteran with a disability dies;

237 (d) a change in the veteran claimant's ownership of the veteran claimant's primary
238 residence;

239 (e) a change in the veteran claimant's occupancy of the primary residence for which the
240 veteran claimant claims an exemption under this section; ~~or~~

241 (f) for an exemption relating to a deceased veteran with a disability or a veteran who
242 was killed in action or died in the line of duty, the veteran claimant is not the same individual
243 who filed an application for the exemption for the calendar year immediately preceding the
244 current calendar year[-]; or

245 (g) the veteran claimant claimed an exemption under Subsection 59-2-1903(4)(a) the
246 immediately preceding calendar year, but the veteran claimant claims an exemption under
247 Subsection 59-2-1903(4)(b) for the current calendar year.

248 (8) If a veteran claimant is the grantor of a trust holding title to real or tangible personal
249 property for which an exemption described in Section 59-2-1903 is claimed, a county may
250 allow the veteran claimant to claim a portion of the exemption and be treated as the owner of
251 that portion of the property held in trust, if the veteran claimant proves to the satisfaction of the
252 county that:

253 (a) title to the portion of the trust will revert in the veteran claimant upon the exercise
254 of a power by:

255 (i) the veteran claimant as grantor of the trust;

256 (ii) a nonadverse party; or

257 (iii) both the veteran claimant and a nonadverse party;

258 (b) title will revert as described in Subsection (8)(a), regardless of whether the power
259 described in Subsection (8)(a) is a power to revoke, terminate, alter, amend, or appoint; and

260 (c) the veteran claimant satisfies the requirements described in this part for the
261 exemption described in Section 59-2-1903.

262 (9) A county may verify that real property for which a veteran claimant applies for an
263 exemption is the veteran claimant's primary residence.

264 (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
265 the commission may, by rule:

266 (a) establish procedures and requirements for amending an application described in
267 Subsection (3)(a);

268 (b) for purposes of Subsection (5)(b), define the terms:

269 (i) "immediate family"; or

270 (ii) "physically present"; or

271 (c) for purposes of Subsection (5)(b), prescribe the circumstances under which the
272 failure of a veteran claimant to file an application on or before the default application deadline:

273 (i) would be against equity or good conscience; and

274 (ii) is beyond the reasonable control of a veteran claimant.

275 Section 4. **Retrospective operation.**

276 This bill has retrospective operation for a taxable year beginning on or after January 1,
277 2023.