

Bulletin: PTA-06-19
From: James McAdams
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To: Property Appraisers
Tax Collectors

**FLORIDA DEPARTMENT OF REVENUE
PROPERTY TAX INFORMATIONAL BULLETIN**

**Disabled Veterans' Property Tax Discount
on Homestead Property**

The 2006 Legislature passed HJR 631. This joint resolution, approved by the voters in the November 2006 general election, created an amendment to section 6 of Article VII of the State Constitution, relating to the homestead exemption for disabled veterans.

The amendment provides a property tax discount on the homesteaded property of veterans who meet the following criteria with documented proof:

- Have an honorable discharge from military service.
- Are at least 65 years old.
- Are partially disabled with a permanent service-connected disability. All or a portion of such disability must be combat related.
- Were a resident of Florida at the time they entered the military.

Veterans who qualify may receive a percentage discount on homestead property taxes equal to the percentage of the veteran's permanent service connected disability as determined by the United States Department of Veterans Affairs. Applications must be received by the county property appraiser no later than March 1. This constitutional provision takes effect December 7, 2006 and first affects taxes levied on the January 1, 2007 tax roll.

Documentation that the applicant will need to submit to the property appraiser is as follows:

- Proof of age as of January 1 of the year to which the discount will apply,
- Evidence that the applicant was a resident of Florida at the time of entering military service of the United States,
- An official letter from the United States Department of Veterans Affairs stating the percentage of the veteran's service-connected disability,
- Evidence identifying all or a portion of the disability as combat related, and
- Proof of the veteran's honorable discharge.

The constitutional amendment states that the disability must be permanent. The U.S. Department of Veterans Affairs official disability rating decision letter, however, does not currently include such a determination. Since the constitutional amendment specifically requires an official letter from the U.S. Department of Veterans Affairs stating the percentage of the veteran's service-connected disability in order for the veteran to qualify for the discount, the Florida Department of Veterans Affairs advises that this letter should be sufficient evidence to meet the legislative intent that the disability be permanent.

The constitutional amendment also states that the disability must be combat related. However, the amendment goes on to state that the percentage discount shall equal the percentage of the veteran's "service-connected" disability. The Florida Department of Veterans Affairs advises that while at least a portion of the disability must be combat related in order for the veteran to qualify, the discount percentage is to be determined based on the service-connected percentage disability as stated in the U.S. Department of Veterans Affairs official letter.

You may wish to visit <http://www.archives.gov/veterans/military-service-records/dd-214.html> and advise applicants of this site for ease in obtaining documentation for their disability.

While the amendment is self-executing, the Department in an effort to aid and assist property appraisers advises that the property appraiser apply the discount by reducing taxable value prior to certifying the tax roll to the tax collector. Following are the process steps:

- The property appraiser should first ascertain all other applicable exemptions (including local option exemptions such as the senior homestead exemption) and deduct these exemptions from assessed value. Assessed value is the value after the Save Our Homes assessment increase limitation has been applied.
- The remaining value should be factored by the service-connected disability percentage discount.
- The resulting taxable value should be included in the Form DR-420 certification for use by taxing authorities in setting millage.
- The property appraiser should place the discounted amount on the tax roll when it is extended.

Example: A qualifying veteran owns a \$250,000 homestead. As capped by the Save Our Homes assessment increase limitation, the current assessed value of the homestead is \$150,000. The veteran qualifies for the widower's exemption (\$500), the disabled ex-service member's exemption (\$5,000), the regular homestead exemption (\$25,000), and the local option senior homestead exemption (\$25,000). For taxes levied on the homestead by cities or counties granting the local option senior homestead exemption, the taxable value prior to the application of the disabled veterans' discount would be \$94,500. If the veteran is 60% disabled, the discounted amount that the property appraiser should certify to the tax collector would be \$37,800 ($\$94,500 - [0.6 \text{ times } \$94,500]$). For levies by taxing authorities not granting the senior homestead exemption, the taxable value prior to the application of the disabled veterans' discount would be \$119,500. The discounted amount that should be certified to the tax collector would be \$47,800 ($\$119,500 - [0.6 \text{ times } \$119,500]$). For the homestead of a qualifying veteran who also qualifies for the local option senior homestead exemption, the value of the discount will be different for each levying authority depending on whether that authority grants the senior exemption and the amount of the exemption. The senior exemption currently requires calculation of taxable value for each taxing authority that grants the exemption. Under the combat veteran's discount provision, there would be a corresponding discounted value for each such authority.

Following the above steps will result in the discount being treated the same as an exemption for TRIM purposes and result in the proper discount being applied when the millage rate is extended by the property appraiser. The Department will notify property appraisers in the near future concerning how to record the discount for purposes of reporting on the tax roll to the Department within the 12D-8 record layout and on the DR-590 form.

An example format that may be used to assist in the application process is available on the Department of Revenue's website at:
<http://dor.myflorida.com/dor/property/veterans/veterans.html>. Also available at that website is related information provided by the Florida Department of Veteran Affairs (FDVA) and a directory of County Veteran Service Officers who are familiar with the types of documents applicants may present.

This information provided by the Department of Revenue is to advise interested parties of legislative action taken during the 2006 session. If you have questions with regard to this matter and wish to discuss them, you may call Jane Marshall at (850) 414-6104. Questions concerning military documentation can be directed to Ed Ortiz at (727) 319-7427 with the Florida Department of Veteran Affairs.