



June 26, 2018

Minnesota Disabled Veterans Property Tax Value Exclusion

The Basics- Veterans

- Veterans who are 70% to 100% Service Connected by the Dept. of Veterans Affairs are eligible for a \$150,000.
 - Provided the Veteran owns a home, had an honorable discharge and files by July 1 of the year prior to benefit year with proof of service connected level (July 1, 2018 for taxes payable 2019)
- Veterans who are rated 100% Permanent and Total are eligible for a \$300,000 property tax value exclusion if they meet the same criteria as above.
- Your County Veterans Service Officer and/or County Assessor can provide you with the application details.

The Basics- Surviving Spouses

- Surviving spouses of 100% Permanent and Totally Disabled Veterans and those who die on active duty are eligible for 8-years of the \$300,000 property tax value exclusion.
 - Provided the spouse has not moved or remarried and files the proper paperwork with their CVSO/Assessor after their Veteran passes away.
- Surviving spouses who are granted Dependency and Indemnity Compensation (DIC), which is the monthly benefit paid to some spouses after their Veteran passes, are also eligible for the \$300,000 exclusion even if the Veteran was not eligible due to service connected level prior to passing.
 - The award of DIC creates its own unique eligibility for the surviving spouse.
 - The spouse has two years to apply or by June 1, 2019 whichever is **LATER**.
 - Surviving spouses of Veterans who passed after December 31, 2011 are eligible for 8-years of this benefit if they file by June 1, 2019 and have not moved or remarried.

See your County Veterans Service Officer, County Assessor, or contact Trent Dilks at Trent@davmn.org for more information.



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Property Tax Value Exclusion for Surviving Spouses Receiving DIC Changes Made in 2017

I am reaching out today because I have been made aware there are several Assessor's Offices in Minnesota who are wrongly denying surviving spouses their \$300,000 property tax value exclusion who should be granted by the 2017 changes. In hopes of clarifying this information I have put together the following facts and examples of who qualifies and the relevant text from the statute.

Who is eligible under the changes made last year?

- Any spouse who has been awarded Dependency and Indemnity Compensation with the Veteran passing away after December 31, 2011 may be eligible for 8 years of the exclusion. This is regardless of the Veterans level of disability at the time of death.
 - **Example:** "Vietnam Veteran was SC 10% and became terminally ill with a presumptive Agent Orange illness. Award was made without a "Permanent and Total" and the Veteran died prior to the decision. Widow was awarded DIC. The Veteran was not eligible, or able to utilize, property tax exclusion while alive. The widow was able to file a first-time application and granted 8 years of exclusion."
- Where is this in the statute? Under Paragraph K

(4) the United States Department of Veterans Affairs certifies that:

(i) the veteran met the total (100 percent) and permanent disability requirement under paragraph (b), clause (2); or

(ii) the spouse has been awarded dependency and indemnity compensation.

The "or" in this section created the ability for DIC recipients to file a first-time application for this benefit.

The spouse must not have moved or remarried since the Veteran passed away.

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When do the newly eligible spouses need to apply by?

- If the Veteran passed away after December 31, 2011 the two-year filing deadline does not apply to surviving spouses who have not remarried or moved. This is only true until June 1, 2019.
 - **Example:** "60% SC Veteran passed away in July of 2012 and the COD was found to be a result of the Veteran's SC and DIC was awarded. The spouse has not moved or remarried since the Veteran passed away. At the time of the Veterans passing the law had not changed and this surviving spouse was not eligible. Even though it has been over two years, if this DIC recipient spouse can be found they can now apply for 8-years of exclusion."
- Where is this in the statute?
 - Para. K states
 - *"(1) the spouse files a first-time application within two years of the death of the service member or by June 1, 2019, whichever is later"*

What level of exemption does the surviving spouse receive?

- The surviving spouse is awarded the benefit for eight years at the \$300,000 level.
 - **Example,** "Veteran was 70% SC and receiving the \$150,000 property tax value exclusion. Veteran passed away and DIC was awarded to the spouse. The surviving spouse files for the exclusion under their own eligibility as a DIC recipient and is awarded 8-years of \$300,000 exclusion.
- Where is this in the statute?

Para. (k) states "the Veteran's spouse is entitled to the benefit under paragraph (b), clause (2)". Para (b) clause (2) states "for a total (100 percent) and permanent disability, \$300,000 of market value is excluded". This means those qualifying under Para (K) Subs. (4ii) are entitled to 8 years of the exclusion at the level of \$300,000.

Please let me know if you have any question. As I said at the beginning I have been made aware of several counties wrongfully denying surviving spouses. The information I just cited was the information I provided to get these surviving spouses approved.

Please feel free to share this information with anyone you feel may benefit from it. I can be reached at 651-788-3186 or Trent@davmn.org with any questions or concerns.

Regards,

Trent C Dilks
Legislative Director
Disabled American Veterans, Dept. of MN



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Subd. 34. Homestead of Disabled Veteran or Family Caregiver

(a) All or a portion of the market value of property owned by a veteran and serving as the veteran's homestead under this section is excluded in determining the property's taxable market value if the veteran has a service-connected disability of 70 percent or more as certified by the United States Department of Veterans Affairs. To qualify for exclusion under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers.

(b)(1) For a disability rating of 70 percent or more, \$150,000 of market value is excluded, except as provided in clause (2); and

(2) for a total (100 percent) and permanent disability, \$300,000 of market value is excluded.

(c) If a disabled veteran qualifying for a valuation exclusion under paragraph (b), clause (2), predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exclusion shall carry over to the benefit of the veteran's spouse for the current taxes payable year and for eight additional taxes payable years or until such time as the spouse remarries, or sells, transfers, or otherwise disposes of the property, whichever comes first. Qualification under this paragraph requires an application under paragraph (h), and a spouse must notify the assessor if there is a change in the spouse's marital status, ownership of the property, or use of the property as a permanent residence.

(d) If the spouse of a member of any branch or unit of the United States armed forces who dies due to a service-connected cause while serving honorably in active service, as indicated on United States Government Form DD1300 or DD2064, holds the legal or beneficial title to a homestead and permanently resides there, the spouse is entitled to the benefit described in paragraph (b), clause (2), for eight taxes payable years, or until such time as the spouse remarries or sells, transfers, or otherwise disposes of the property, whichever comes first.

(e) If a veteran meets the disability criteria of paragraph (a) but does not own property classified as homestead in the state of Minnesota, then the homestead of the veteran's primary family caregiver, if any, is eligible for the exclusion that the veteran would otherwise qualify for under paragraph (b).

(f) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for the valuation exclusion under this subdivision.

(g) A property qualifying for a valuation exclusion under this subdivision is not eligible for the market value exclusion under subdivision 35, or classification under subdivision 22, paragraph (b).



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(h) To qualify for a valuation exclusion under this subdivision a property owner must apply to the assessor by July 1 of the first assessment year for which the exclusion is sought. For an application received after July 1, the exclusion shall become effective for the following assessment year. Except as provided in paragraph (c), the owner of a property that has been accepted for a valuation exclusion must notify the assessor if there is a change in ownership of the property or in the use of the property as a homestead.

(i) A first-time application by a qualifying spouse for the market value exclusion under paragraph (d) must be made any time within two years of the death of the service member.

(j) For purposes of this subdivision:

(1) "active service" has the meaning given in section [190.05](#);

(2) "own" means that the person's name is present as an owner on the property deed;

(3) "primary family caregiver" means a person who is approved by the secretary of the United States Department of Veterans Affairs for assistance as the primary provider of personal care services for an eligible veteran under the Program of Comprehensive Assistance for Family Caregivers, codified as United States Code, title 38, section 1720G; and

(4) "veteran" has the meaning given the term in section [197.447](#).

(k) If a veteran dying after December 31, 2011, did not apply for or receive the exclusion under paragraph (b), clause (2), before dying, the veteran's spouse is entitled to the benefit under paragraph (b), clause (2), for eight taxes payable years or until the spouse remarries or sells, transfers, or otherwise disposes of the property if:

(1) the spouse files a first-time application within two years of the death of the service member or by June 1, 2019, whichever is later;

(2) upon the death of the veteran, the spouse holds the legal or beneficial title to the homestead and permanently resides there;

(3) the veteran met the honorable discharge requirements of paragraph (a); and

(4) the United States Department of Veterans Affairs certifies that:

(i) the veteran met the total (100 percent) and permanent disability requirement under paragraph (b), clause (2); or

(ii) the spouse has been awarded dependency and indemnity compensation.

(l) The purpose of this provision of law providing a level of homestead property tax relief for gravely disabled veterans, their primary family caregivers, and their surviving spouses is to help ease the burdens of war for those among our state's citizens who bear those burdens most heavily.

(m) By July 1, the county veterans service officer must certify the disability rating and permanent address of each veteran receiving the benefit under paragraph (b) to the assessor.