

April 16, 2008

TO:

FROM: Kerry Kelley

SUBJECT: Reimbursement of Veterans' Property Tax Exemptions and Increasing the Exemption after Revaluations

You asked what state reimbursements are available to towns when they grant property tax exemptions to veterans and how property tax revaluation can impact the amount of the exemptions offered to veterans.

State law provides a basic \$ 1,000 property tax exemption for qualified veterans. It also provides for an additional mandatory exemption and an additional optional exemption for veterans who qualify for the basic exemption and meet certain income limits. The state reimburses towns for the revenue loss from the mandatory income-based exemption.

Name	Statute	Amount	Income Limit	State Reimbursement
Basic Mandatory Property Tax Exemption	CGS 12-81(19)	\$ 1,000	No	No
Additional Mandatory Exemption	CGS 12-81(g)	\$ 2,000 (double basic exemption). Add to the basic exemption for a total mandatory benefit of \$ 3,000	Yes, for those <b>BELOW</b> income limit. (Currently \$ 28,800 for single applicants; and \$ 35,300 for married)	Yes
Additional Mandatory Exemption	CGS 12-81(g)	\$ 500 (half of the basic exemption). Add to the basic exemption for a total of \$ 1,500.	Yes, for those <b>ABOVE</b> income limit. (Currently \$ 28,800 for single applicants; and \$ 35,300 for married)	No
Local Option	CGS 12-81f	Exemption is up to \$ 10,000 or 10% of the assessed value	Yes, towns may use income limit for 12-81(g), which is currently \$ 28,800 for single applicants; and \$ 35,300 for married, or towns may increase the income limits by \$ 25,000 over that level.	No

## VETERANS' PROPERTY TAX EXEMPTIONS

### State-Mandated Exemptions

A qualified veteran is eligible for a minimum \$ 1,500 property tax exemption. The exemption is granted through two statutes. CGS § 12-81(19) requires towns to give a basic \$ 1,000 exemption. CGS § 12-81g requires them to give an additional exemption

equal to (1) half the basic one (i. e. , \$ 500) if the veteran's income is above a certain limit or (2) double the basic exemption (i. e. , \$ 2,000) if the veteran's income is below a certain limit. (Disabled and severely disabled veterans are eligible for a minimum exemption of more than \$ 1,500 under CGS §§ 12-81(20) or 12-81(22) and 12-81g. Qualified surviving dependents of veterans are also eligible for a minimum exemption, which may be more than \$ 1,500, under CGS §§ 12-81(22), (23), (24), (25), or (26), and 12-81g).

*Local-Option Exemption*

CGS § 12-81f allows towns to provide a property tax exemption in addition to the veterans' exemptions they are required to provide by law. The exemption can be up to \$ 10,000 or 10% of a property's assessed value for eligible veterans, whichever is greater. Towns can increase the maximum income a veteran or a surviving spouse can have and be eligible for the exemption by as much as \$ 25,000 above the income levels of the mandatory exemption program. The state does not reimburse towns for revenue they lose as a result of providing the optional exemption.

Below are the towns offering an additional local option exemption:

Towns	\$ Total Additional Reduction in Assessment by Local Option
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Andover

Ansonia

Ashford

Avon	\$ 10,000 (Note 1)
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Barkhamsted

Beacon Falls

Berlin	\$ 3,000 (Note 1)
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Bethany	\$ 5,000
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Bethel	\$ 10,000 (Note 1)
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Bethlehem

Bloomfield

Bolton	\$ 6,000
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Bozrah

Branford

Bridgeport