



STATE OF NORTH DAKOTA
OFFICE OF STATE TAX COMMISSIONER

Ryan Rauschenberger, Commissioner

DISABLED VETERAN TAX BENEFIT PRESENTATION

GOVERNMENT SERVICES COMMITTEE

SENATOR SORVAAG, CHAIRMAN

January 16, 2014

Disabled Veteran Credit Overview

A disabled veteran may qualify for a property tax credit on the veteran's homestead. The credit equals the disabled veteran's percentage of disability applied to the first \$6,750 of taxable value (\$150,000 true and full value).

Requirements:

- Applies to fixtures, buildings, and improvements of the homestead.
- The homestead must be owned and occupied by the disabled veteran or unremarried surviving spouse.
- The applicant must be a disabled veteran of the United States armed forces with an armed forces service-connected disability of 50 percent or greater.
- The veteran must have been honorably discharged or retired from U.S. armed forces.
- The disabled veteran's income and assets do not affect eligibility for the credit.
- Land is not eligible for the credit.
- A mobile home qualifies for the credit if the mobile home is the disabled veteran's homestead.

Calculation of the credit:

- The veteran's disability percentage is multiplied by the taxable value, up to \$6,750.
- A disabled veteran who has an extra-schedular rating to include unemployability that brings the total disability rating to 100 percent receives 100 percent credit.
- An unremarried surviving spouse receiving dependency and indemnity compensation receives 100 percent credit.
- The applicant's tax statement shows the reduced taxable value.
- The state reimburses counties for the real estate tax based on disabled veterans' credits allowed.

Disabled Veteran Credit Statistics

Counties report disabled veterans’ credits to the Office of the State Tax Commissioner by March 1 each year. The report may contain the abatements filed against prior years’ taxes. The amounts below do not include the payment to the State Medical Center.

Assessment Year	Taxable Value of Credit	Payment Amount	Qualifying Applicants	Percent Increase of Qualifying Applicants
2012	7,764,337	\$2,587,744.78	2,460	12%
2011	6,747,538	\$2,299,510.77	2,192	19%
2010	5,699,829	\$1,961,238.32	1,849	22%
2009	4,682,592	\$1,627,763.06	1,513	

Disability Percentage	Qualifying Applicants	Percent of Applicants	Credit Value	Qualifying Applicants	Max Credit Value starting for 2013
100%	1027	41.75%	5400 (100%)	373	6750 100%
90%	90	3.66%	4860 (90%)	120	6075 90%
80%	219	8.90%	4320 (80%)	199	5400 80%
70%	286	11.63%	3780 (70%)	220	4725 70%
60%	447	18.17%	3240 (60%)	331	4050 60%
50%	391	15.89%	2700 (50%)	350	3375 50%
	2460		<2700	867	
				2460	

Appropriations

2013 - 2015 Biennium \$7,678,000.

2011 - 2013 Biennium \$4,243,920.

Payment Date	Reference	Payment Amount	Appropriation Balance
		\$ 4,243,920.00	
05/25/12	Payment to Counties	\$2,299,510.77	\$1,944,409.23
05/25/12	State Medical Center Payment	\$6,747.54	\$1,937,661.69
07/16/12	Payment to Traill County	\$16,475.89	\$1,921,185.80
07/16/12	State Medical Center Pymt	\$40.49	\$1,921,145.31
***	HB 1023 Emerg. Approp.		\$2,903,000.31
05/30/13	Payment to Counties	\$2,587,744.78	\$315,255.53
05/30/13	Pymt. To St. Medical Center	\$7,764.34	\$307,491.19

Paraplegic Disabled Veteran Exemption Overview

A paraplegic disabled veteran may qualify for a property tax exemption on the veteran's homestead. The exemption is applied to the first \$5,400 taxable value (\$120,000 true and full value).

Requirements:

- Applies to fixtures, buildings, and improvements of the homestead.
- The paraplegic disability does not have to be service connected.
- The homestead must be owned and occupied by the disabled veteran or unremarried surviving spouse.
- The disabled veteran's income and assets do not affect eligibility for the exemption.
- The state does not reimburse counties for this exemption.

Paraplegic Disabled Veteran Exemption Statistics

Logan County has one paraplegic disabled veteran exemption. Applicant does not receive the disabled veterans' credit.

Williams County has one paraplegic disabled veteran exemption. Applicant does not receive the disabled veterans' credit.