

STATE OF VERMONT

VETERANS' EXEMPTION – PROPERTY TAX

Qualifying veterans' or survivors receive a \$10,000 property tax exemption. 32 V.S.A. §3802(11). With the passage of Act 207, that amount can now be increased by a local vote to a maximum of \$40,000. The previous limit was \$20,000. As with other local agreements, the loss in school tax revenue that results from such a vote will need to be realized through the local agreement rate. 32 V.S.A. §5404a(d).

To be eligible for the exemption, the veteran or the survivor must be receiving one of the benefits described below. The person seeking the exemption is to apply annually by May 1. The application should include documentation of the pension or compensation being received. The Department of Veterans' Affairs (formerly Veterans' Administration) is the issuer of the documentation. Application for an exemption under this section based upon permanent disability is required only the first year for which the exemption is sought, and the exemption remains on the grand list until title to the property is transferred. Only one exemption is allowed per property.

Disability compensation for at least 50 percent disability. Disability compensation is monetary benefits and health care provided to veterans who are disabled by injury or disease incurred or aggravated during active military service. The veteran must have separated or been discharged under conditions that were other than dishonorable.

Pension for disability paid through any military department or the VA. This is a benefit paid to wartime veterans with limited income, and who are permanently and totally disabled or age 65 or older. They must have a certain number of days of active military service, one day of which was during a recognized period of war. The discharge from service must be other than dishonorable.

Dependency and indemnity compensation (DIC). DIC payments are made to surviving spouses, unmarried children under 18 years of age or between 18 and 23 if attending a VA-approved school, and low-income parents of certain service members or veterans. The service member or veteran must have died from: (1) a disease or injury incurred or aggravated while on active duty; or (2) an injury incurred or aggravated in line of duty while on inactive duty training; or (3) a disability compensable by VA. Death cannot be the result of willful misconduct.

Parents of service members or veterans receiving DIC are not eligible for the Vermont veteran's exemption.

Death pension. Surviving spouses and unmarried children of deceased veterans with wartime service may be eligible for a non service-connected pension based on need. Children must be under 18, or under 23 if attending a VA-approved school. Pension is not payable to those with estates large enough to provide maintenance.