

A silhouette of a soldier in uniform saluting with his right hand to his forehead. The soldier is positioned on the left side of the frame, facing right. The background is a vast, open landscape under a sky transitioning from a pale blue at the top to a warm orange and yellow at the bottom, suggesting a sunset or sunrise. The sun is visible as a bright glow on the horizon, partially obscured by the silhouette of the soldier and the text. The overall mood is one of respect and gratitude.

A TOKEN OF OUR GRATITUDE

Armed Forces Exemptions
Utah State Tax Commission

2022 Key Statistics



Service-Connected Disabilities

- **Veterans with a service-connected disability are assigned a disability rating by the U.S. Department of Veterans Affairs or the U.S. Department of Defense.**
 - **Disability ratings are meant to compensate veterans for the average impairment in earning capacity caused by their service-connected condition(s).**
- **5,417,012 veterans nationwide have a service-connected disability**
 - **1,107,440 (20.4%) have a disability rating of 100%**

Types of 100% VA Disability Ratings

- 100% Schedular
 - Rating for one or multiple conditions
- Total Disability/Individual Unemployability (TDUI)
 - Veterans who are unable to secure and follow substantially gainful employment due to their condition(s)
- Permanent and Total
 - Veterans whose disabilities are total (100%) and permanent (have zero or close to zero chance of improvement within 20 years)
- Temporary Total
 - This rating is given to Veterans that have been hospitalized for 21 days or longer or had surgery for a service-connected disability that requires at least a 30-day convalescence period.¹
- VA Ratings for Cancer
 - Veterans with service-connected active cancer automatically receive a 100% rating which continues until 6 months following the successful completion of a treatment program (chemo, radiation, surgery)
 - They are then reevaluated afterwards for disability based on residuals

HB 539



Disabled Veterans in Utah

- 128,922 veterans (3.8% of Utah's population)
 - 37,134 (1.1% of Utah population) receive service-connected disability compensation or survivorship benefits from the VA
 - 28.8% of total Utah veteran population
- 25,282 veteran abatements granted by all counties
 - 63.73% of total tax relief granted in 2022 (by type)
 - 21.29% of Utah's total veteran population received veteran abatements
 - 68.08% of veterans receiving VA compensation received property tax relief
- \$3,708,867,359 in taxable primary residential value was abated for disabled veterans statewide (estimated)
 - 1.35% of all taxable primary residential value
 - 23.77% of value of all veteran-owned property

The background of the slide is a faded American flag, with the stars and stripes visible. The title is positioned in the upper right quadrant, overlaid on the stripes.

Active-Duty Servicemembers

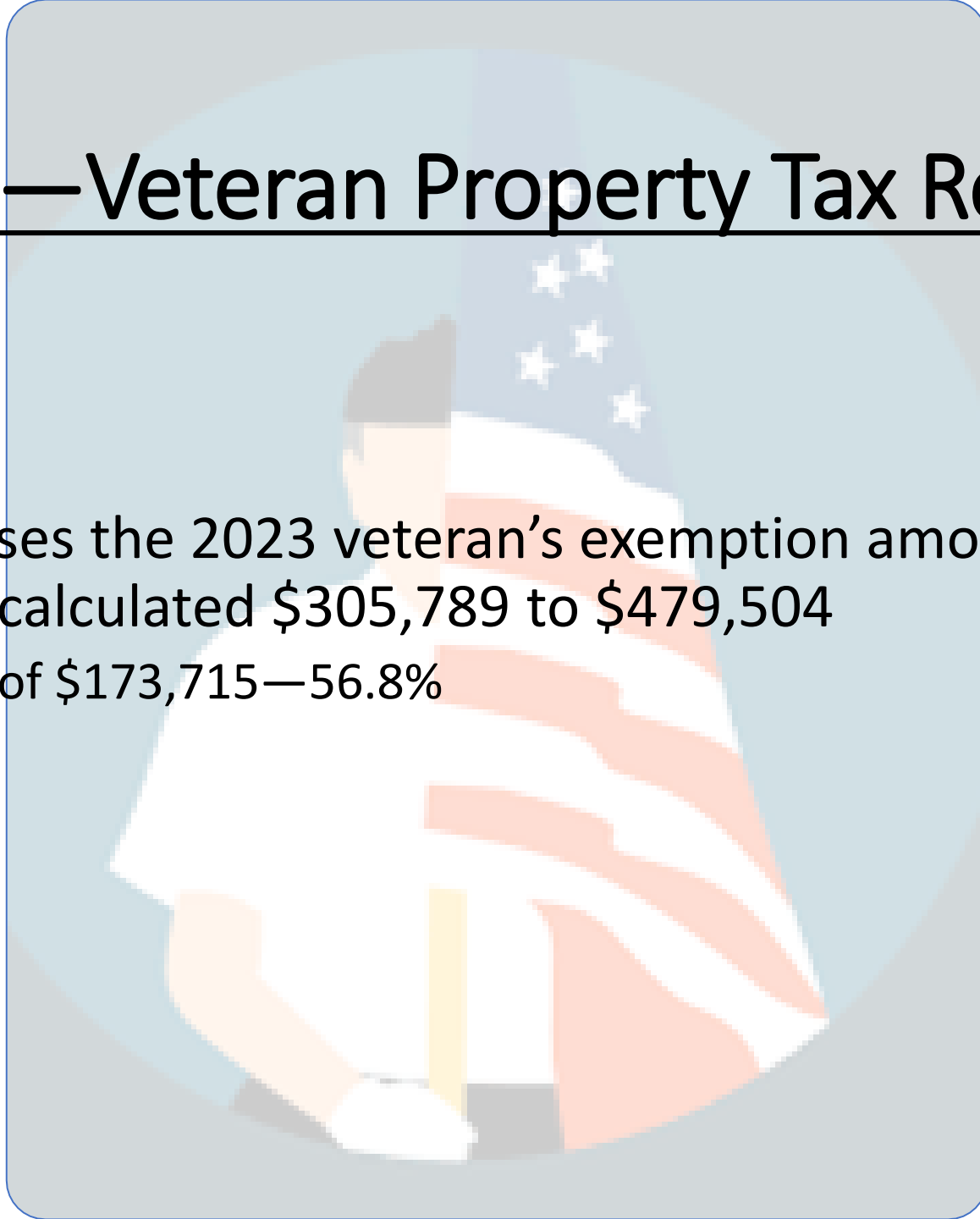
- 1,174,727 active-duty servicemembers across all branches of the military are deployed in the US
 - 5,294 active-duty servicemembers currently in Utah
- 63 servicemembers received active-duty abatement across 12 counties
 - \$363,393 abated (\$5,768 per servicemember on average)

Utah State Code as it Pertains to Servicemember Tax Relief

- What is the most recent legislation on this?
- Who qualifies?
- Are there limits on this type of tax relief?
- How does this tax relief work?

HB 151—Veteran Property Tax Revisions

- This increases the 2023 veteran's exemption amount from the previously calculated \$305,789 to \$479,504
 - Increase of \$173,715—56.8%



HB 539—Veteran Property Tax Exemption

- Qualifying disabled veteran claimants may apply for an exemption prior to owning a residence if s/he provides a real estate purchase contract or similar documentation and intends to use the residence as the primary residence
 - §59-2-1904—“100% service-connected disability that is permanent and total”
- The county shall process the application and send the claimant a receipt that shall include documentation that the application is preliminarily approved or denied **within 15 business days** after the day which the county received the application
 - If approved, the letter must state how much relief they are eligible to receive

Key Definitions/Exceptions

- Primary Residence [§59-2-1901(7)]
 - Includes the residence of an individual who does not reside in the residence if the individual does not reside in the residence **because the individual is admitted as an inpatient at a health care facility... and otherwise meets the requirements of this part.**
- Veteran with a Disability [§59-2-1901(14)]
 - An individual who, during military training or a military conflict, acquired a disability in the line of duty in an active component of the USAF or a reserve component of the USAF, **as determined by a military entity.**
- Eligible Property [§59-2-1903(1)]
 - Property **owned by a veteran claimant** that is the veteran claimant's **primary residence or tangible personal property** that is held exclusively for personal use and is not used in a trade or business.

Veteran Armed Forces Exemption

- Eligibility
 - Veteran with a disability (at least 10%)
 - Unmarried surviving spouse/minor orphan of a veteran with a disability (at least 10%)
 - Unmarried surviving spouse/minor orphan of a veteran killed in action or the line of duty
- File [application](#) by September 1st of the year they seek the exemption
 - Proof of service
 - Proof of disability
- Only required to submit **one** application for their **ongoing** exemption*
 - Applies to primary residence and non-business personal property



Veteran Armed Forces Exemption Amounts

- 2023 adjustable tax value limit is \$479,504
- Veteran with a disability
 - Disability rating must be at least 10%
 - Adjusted taxable value limit multiplied by disability percentage
- Unmarried surviving spouse/minor orphan of a veteran with a disability
 - Veteran's disability rating must have been at least 10%
 - Adjusted taxable value limit multiplied by disability percentage of veteran with a disability when alive
- Unmarried surviving spouse/minor orphan of a veteran killed in action or the line of duty
 - Full taxable value of primary residence

Active-Duty Exemption (§59-2-1902)

- Eligibility
 - Member of an active component of the US Armed Forces or a reserve component of the US Armed Forces, having performed “qualifying active-duty military service”
 - Qualifying active-duty military service consists of 200 days in a 365-day continuous period outside the state
- File by September 1st the year after service was completed
 - Proof of qualifying service
- Exempts full taxable value of **primary residential property**
 - Applies to property the year after the year qualifying service was completed
 - Active-duty service member would still need to pay property tax for the year they are in service



Proof of Qualifying Active-Duty Service

- Standard 3
 - Pages 25-28

PT-22: Active-Duty Armed Forces
Property Tax Exemption Application



Questions? Contact Us!

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