



PROPERTY TAX EXEMPTION FOR DISABLED VETERANS

Governor Snyder recently signed into law P.A.161 of 2013 which provides a property tax exemption for disabled veterans and/or their unremarried spouse.

Eligibility Requirements:

In order to be eligible for the exemption, the disabled veteran must have been honorably discharged from the armed forces of the United States. They must be a Michigan resident. Additionally they must meet one of the following criteria:

- (a) Has been determined by the United States department of veterans' affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
- (b) Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adaptive housing.
- (c) Has been rated by the United States department of veterans' affairs as individually unemployable.

The unremarried surviving spouse of the disable veteran is eligible for the exemption based upon the eligibility of their spouse; therefore the spouse must also be a Michigan resident. The exemption will continue only as long as the surviving spouse remains unremarried.

If you feel that you or someone you know is eligible for the exemption you can get the complete package from your local unit assessor, County Equalization Department, at our website <http://www.alpenacounty.org/equalization.html> for further information.

In order to be eligible for the 2013 tax year the form must be completed and turned into your local assessor no later than the second Monday in December of 2013.

Governor Snyder recently signed into law P.A. 161 of 2013. This Act amends MCL 211.7b regarding Veterans Exemptions to read as follows:

Sec. 7b. (1) Real property used and owned as a homestead by a disabled veteran who was discharged from the armed forces of the United States under honorable conditions or by an individual described in subsection (2) is exempt from the collection of taxes under this act. To obtain the exemption, an affidavit showing the facts required by this section and a description of the real property shall be filed by the property owner or his or her legal designee with the supervisor or other assessing officer during the period beginning with the tax day for each year and ending at the time of the final adjournment of the local board of review. The affidavit when filed shall be open to inspection. The county treasurer shall cancel taxes subject to collection under this act for any year in which a disabled veteran eligible for the exemption under this section has acquired title to real property exempt under this section. Upon granting the exemption under this section, each local taxing unit shall bear the loss of its portion of the taxes upon which the exemption has been granted.

(2) If a disabled veteran who is otherwise eligible for the exemption under this section dies, either before or after the exemption under this section is granted, the exemption shall remain available to or shall continue for his or her unremarried surviving spouse. The surviving spouse shall comply with the requirements of subsection (1) and shall indicate on the affidavit that he or she is the surviving spouse of a disabled veteran entitled to the exemption under this section. The exemption shall continue as long as the surviving spouse remains unremarried.

(3) As used in this section, "disabled veteran" means a person who is a resident of this state and who meets 1 of the following criteria:

- (a) Has been determined by the United States department of veterans affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
- (b) Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.
- (c) Has been rated by the United States department of veterans affairs as individually unemployable.

The purpose of this communication is to make Assessors and Equalization Directors aware of this new Act and to provide some basic guidance. The State Tax Commission will issue additional guidance following their December meeting.

1. This exemption is only available to disabled veterans or, if the veteran has died, to their unremarried surviving spouse who own and use the home as their homestead.
2. The disabled veteran or their surviving spouse must be a resident of the State of Michigan.
3. Assessors are advised that eligible disabled veterans will be able to apply for a 2013 exemption at the December 2013 Board of Review. An exemption will cancel the July and December 2013 taxes, but will not cancel any taxes levied before 2013.
4. The Act requires an Affidavit be filed but does not require this Affidavit to be an official State of Michigan form. A standard Affidavit is not planned to be developed at this time.

Eligibility Requirements:

In order to be eligible for the exemption, the disabled veteran must have been honorably discharged from the armed forces of the United States. They must be a Michigan resident. Additionally, they must meet one of the following criteria:

- (a) Has been determined by the United States department of veterans' affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
- (b) Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.
- (c) Has been rated by the United States department of veterans' affairs as individually unemployable.

The unremarried surviving spouse of the disable veteran is eligible for the exemption based upon the eligibility of their spouse; therefore the spouse must also be a Michigan resident. The exemption will continue only as long as the surviving spouse remains unremarried.

How is a determination made that the disabled veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate?

The Veterans' Administration defines a service connected disability as a disability related to an injury or disease that developed during or was aggravated while on active duty or active duty for training.[1] The Veterans Administration Schedule for Rating Disabilities is used to assess the medical conditions and illnesses incurred or aggravated during the veteran's military service and a percentage rating from 0% to 100% is assigned based on the severity of the disability.

Individuals filing the affidavit for the exemption under criteria a) must provide a copy of the letter from the Veterans' Administration indicating they have a 100% service connected disability and are entitled to receive benefits.

Note: The Act does not require the disabled veteran to have already received the benefit, it only requires that they have been determined to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

What is assistance for specially adapted housing?

The Veterans' Administration provides veterans with certain permanent and total service-connected disabilities financial assistance to purchase or construct an adapted home or modify an existing home to accommodate a disability. There are two grant programs: specially adapted housing grant (SAH) and the special housing adaptation grant (SHA).[2]

[1] Summary of VA Benefits for Disabled Veterans

[2] U.S. Department of Veterans Affairs Housing Grants for Disabled Veterans

The State Tax Commission has determined that receipt of either grant would qualify an individual for the exemption under criteria b).

Individuals filing the affidavit for the exemption under criteria b) must provide a copy of the certificate from the Veterans' Administration indicating they are receiving or have received pecuniary assistance due to disability for specially adapted housing.

What does individually unemployable mean?

Individual unemployability is part of the Veterans' Administration disability compensation program. Under this program, veterans may receive compensation at the 100% rate even though their service connected disability is not rated at 100%.[3]

In order to be eligible a veteran must prove they are unable to maintain substantially gainful employment as a result of their service connected disability. In addition they must have one service connected disability rated at 60% or more or two or more service connected disabilities with at least one rated at 40% or more with a combined rating of 70% or more.[4]

Individuals filing the affidavit for the exemption under criteria c) must provide a copy of the letter from the Veterans' Administration indicating they are individually unemployable.

Is there an asset test and/or means test to determine eligibility?

No, there is no asset test and/or means test to determine eligibility. In order to be eligible the disabled veteran must meet the requirements of Public Act 161 of 2013 regardless of their income or the value of their home.

[3] Veteran's Affairs Individual Unemployability Fact Sheet

[4] Veteran's Affairs Individual Unemployability Fact Sheet

DRAFT 12/3/13

Michigan Department of Treasury
5107 (12-13)

State Tax Commission Affidavit for Disabled Veterans Exemption

Issued under authority of Public Act 161 of 2013, MCL 211.7b. Filing is mandatory.

Instructions: This form is to be used to apply for an exemption of property taxes under MCL 211.7b, for real property used and owned as a homestead by a disabled veteran who was discharged from the armed forces of the United States under honorable conditions or his or her unremarried surviving spouse. The property owner, or his or her legal designee, must annually file the Affidavit with the supervisor or assessing officer any time after December 31 and before, or until the conclusion of, the December Board of Review.

OWNER INFORMATION (Enter information for the disabled veteran or unremarried surviving spouse)		
Owner's Name		Owner's Telephone Number
Owner's Mailing Address		
City	State	ZIP Code
LEGAL DESIGNEE INFORMATION (Complete if applicable)		
Legal Designee Name		Daytime Telephone Number
Mailing Address		
City	State	ZIP Code
HOMESTEAD PROPERTY INFORMATION (Enter information for the property in which the exemption is being claimed)		
City, Township or Village (Check the appropriate box and provide the name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		
County	Name of the Local School District	
Parcel Identification Number	Date the Property was Acquired (MM/DD/YYYY)	
Homestead Property Address		
City	State	ZIP Code
ACKNOWLEDGEMENT (Check all boxes that apply)		
<input type="checkbox"/> I am a disabled veteran, or the legal designee of the disabled veteran, who was discharged under honorable conditions from the armed forces of the United States of America with a service connected disability.		
<input type="checkbox"/> I am the unremarried surviving spouse, or the legal designee of the unremarried surviving spouse, of a disabled veteran who was discharged under honorable conditions from the armed forces of the United States of America with a service connected disability.		
<input type="checkbox"/> I am a Michigan resident.		
<input type="checkbox"/> I own the property in which the exemption is being claimed and it is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.		
AFFIRMATION OF ELIGIBILITY (Check the appropriate box and provide a copy of the required documentation)		
<input type="checkbox"/> The disabled veteran has been determined by the United States Department of Veterans Affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate (must attach a copy of the letter from the U.S. Department of Veterans Affairs).		
<input type="checkbox"/> The disabled veteran is receiving or has received pecuniary assistance due to disability for specially adapted housing (must attach a copy of the certificate from the U.S. Department of Veterans Affairs).		
<input type="checkbox"/> The veteran has been rated by the United States Department of Veterans Affairs as individually unemployable (must attach a copy of the letter from the U.S. Department of Veterans Affairs).		
CERTIFICATION		
<i>I hereby certify to the best of my knowledge that the information provided in this Affidavit is true and I am eligible to receive the disabled veteran's exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7b.</i>		
Printed Name of Owner or Legal Designee		Title of Signatory
Signature of Owner or Legal Designee		Date

DESIGNEE MUST ATTACH LETTER OF AUTHORITY