

HOUSE BILL 2138

By Brooks K

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, Part 7, relative to tax relief for veterans
with disabilities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-704, is amended by deleting the section in its entirety and substituting instead the following:

(a) There shall be paid from the general funds of the state to certain disabled veterans the amount necessary to pay or reimburse such taxpayers for all or part of the local property taxes paid for a given tax year on that property that the disabled veteran owned and used as the disabled veteran's residence as provided in this section.

(b) For purposes of this section, "disabled veteran" means a person who has served in the armed forces of the United States, and who has:

(1) Acquired in connection with such service a disability from paraplegia or permanent paralysis of both legs and lower part of the body resulting from traumatic injury or disease to the spinal cord or brain, or from legal blindness, or from loss or loss of use of two (2) or more limbs from any service-connected cause;

(2) Acquired one hundred percent (100%) permanent and total disability, as determined by the United States department of veterans affairs, and such disability resulting from having served as a prisoner of war;

(3) Acquired service-connected permanent and total disability or disabilities, as determined by the United States department of veterans affairs; or

(4) Acquired one hundred percent (100%) permanent and total disability based on individual unemployability from any service-connected cause, as determined by the United States department of veterans affairs.

(c) The reimbursement of local property taxes paid to a disabled veteran as defined in subdivision (b)(4) shall be paid on the entire full market value of the property and shall be equal to an amount necessary to reimburse the taxpayer for one hundred percent (100%) of the local property taxes paid for a given tax year on that property.

(d) The reimbursement of local property taxes paid to a disabled veteran as defined in subdivisions (b)(1)-(3) who has an income less than thirty thousand dollars (\$30,000) shall be paid on the entire full market value of the property and shall be equal to an amount necessary to reimburse the taxpayer for fifty percent (50%) of the local property taxes paid for a given tax year on that property.

(e) For purposes of subsection (d), the annual income attributable to the applicant for tax relief shall be the income of all owners of the property, the income of the applicant's spouse, and the income of any owner of a remainder or reversion in the property if the property constituted the person's legal residence at any time during the year for which tax relief is claimed. Any portion of social security income, social security equivalent railroad retirement benefits, and veterans entitlements required to be paid to a nursing home for nursing home care by federal regulations shall not be considered income to an owner who relocates to a nursing home.

(f) Under no conditions shall property tax relief extend to any person who was dishonorably discharged from any of the armed services.

(g) The determination of the United States department of veterans affairs concerning the disability status of a veteran shall be conclusive for purposes of this section.

(h) Property tax relief shall also be extended to the surviving spouse of a disabled veteran who, at the time of the disabled veteran's death, was eligible for

disabled veterans' property tax relief. If a subsequent amendment to the law concerning eligibility as a disabled veteran would have made the deceased veteran eligible for disabled veterans' property tax relief, then property tax relief shall also be extended to the surviving spouse. A surviving spouse shall continue to qualify for disabled veterans' property tax relief as long as the surviving spouse:

- (1) Does not remarry;
- (2) Solely or jointly owns the property for which tax relief is claimed; and
- (3) Uses the property for which tax relief is claimed exclusively as a home.

(i) Property tax relief shall also be extended to the surviving spouse of a veteran whose death results from a service-connected, combat-related cause, as determined by the United States department of veterans affairs; provided, that:

- (1) The surviving spouse does not remarry; and
- (2) The property for which tax relief is claimed is owned by and used exclusively by the surviving spouse as a home.

(j) Property tax relief shall also be extended to the surviving spouse of a soldier whose death results from being deployed, away from any home base of training and in support of combat or peace operations; provided, that the surviving spouse:

- (1) Does not remarry;
- (2) Solely or jointly owns the property for which tax relief is claimed; and
- (3) Uses the property for which tax relief is claimed exclusively as a home.

(k) The refund provided by this section shall be in lieu of any payment under § 67-5-702 or § 67-5-703.

(l) Any information concerning the disability status of a disabled veteran or the death of a soldier shall be confidential and shall not be subject to inspection under Tennessee public records law, compiled in title 10, chapter 7, but shall be available to local or state officials who administer, enforce, or audit the tax relief program or requirements under this section.

(m) This section shall not affect taxpayers who have received a reimbursement for tax year 2015 pursuant to this section as it existed prior to the effective date of this act, and who reapply to receive a reimbursement for tax year 2016 and in subsequent tax years without interruption.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to tax year 2016 and subsequent tax years.