



**STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES**

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The Honorable John Carney
Governor

John A. McNeal
Director

MEMORANDUM

DATE: February 24, 2020

TO: All Members of the Delaware State Senate
and House of Representatives

FROM: Mr. J. Todd Webb, Chairperson
State Council for Persons with Disabilities

RE: H.B. 265 (Tax Exemptions for Veterans)

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 265, which would require counties and school districts to completely exempt the taxes for qualified veterans with disabilities but allows them to prescribe the application forms. The bill would also allow the counties to establish rules and regulations to implement the law. SCPD has the following observations.

In order to receive the exemption, the veteran must either be 100% disabled according to the Veterans Administration (VA) scheduled ratings table or be totally disabled based upon individual unemployability (IU) [§8157(a)]. As eligibility for this exemption begins with whether a veteran is disabled, a brief digression into the types of disability that qualify is required.

To be assigned a scheduled 100% rating, the veteran must have one service-connected condition that meets the 100% rating criteria specified for that condition, or the veteran must have multiple service-connected disabilities whose individual disability ratings combine to 100%. Examples of impairments that are eligible for disability benefits (up to the 100% rating) include: bipolar disorder; cancer; depression PTSD, mental conditions, spine and joint disorder, and traumatic brain injuries. If the veteran has a 100% service-connected disability, he or she meets the disabled qualification of this bill.

alternatively, if the veteran has more than one service-connected condition, they must total at least a 70% combined rating with at least one condition rated at 40%. If the veteran meets the requirements for individual unemployability, he or she can receive the monthly disability compensation amount of 100%, while their total scheduled rating is actually less than 100%. If the veteran is IU, he or she meets the disabled qualification of this bill.

Section 8157(a) is careful to delineate between the two (2) different types of disability that qualify, namely “100% disability compensation due to a service-connected, permanent and total disability based on individual unemployability or a 100% disability rating.”

Assuming the veteran is disabled, there are several other criteria that must be met in order to be eligible. The veteran must own the property individually or jointly with his or her spouse and it must be his or her residence [§8157(a)(1)]. In addition, the veteran must have been domiciled within the state for such period as established by the counties. The veteran has the burden of showing that he or she resides in the state [§8157(a)(2)].

The bill does not apply to property taxes levied by a municipality [§8157(d)] or to ditch taxes, light taxes, sewer charges, or road charges [§8157(e)]. There is an error at line 47. It reads “Section 8157 of Title 8” where it should read “Section 8157 of Title 9”, as it incorporates new “Subchapter IV Veterans with Disabilities.”

This bill would supplement the exemptions already in existence for the eligible elderly, disabled, and disabled veterans in New Castle County. In accordance with 9 Del. C. §320(a), New Castle County provides a veteran who became disabled while in any branch of the armed services with an additional exemption for all real property taxes to an assessed valuation not exceeding \$5,000.00. (§14.06.304 of the New Castle County Code).

This bill would supplement the exemptions already in existence for the eligible disabled, and disabled veterans in Kent County. In accordance with 9 Del. C. §320(b), Kent County provides a veteran who is totally disabled as a result of service in any branch of the armed services with an additional exemption from all property taxes on \$5,000 of assessed value of the veteran’s eligible property. (§191-9 of the Kent County Code).

This bill would supplement the exemptions already in existence for the eligible totally disabled in Sussex County. In accordance with 9 Del. C. §320(c), Sussex County provides an exemption to property taxes for individuals with a disability and surviving spouses of individuals with a disability on real estate to an assessed valuation not exceeding \$12,500. (§103-1 of the Sussex County Code).

This bill would expand the exemptions to include school taxes and it would exempt all school and property taxes for qualified disabled veterans. It would be preferable if the bill also included an exemption for the surviving spouse of the veteran with a disability.

This bill recognizes the service and dedication of those individuals who were severely disabled in the service of their country. SCPD endorses this proposed legislation since it is an admirable

attempt to help some veterans with severe disabilities, but recommends the error be corrected at line 47 and that the bill be amended, where applicable, to include an exemption for the surviving spouse of veterans with disabilities.

Thank you for your consideration and please contact SCPD if you have any questions or comments regarding our position or observations on the proposed legislation.

cc: Ms. Laura Waterland, Esq.
Delaware Commission on Veterans Affairs
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

HB 265- tax exemptions for veterans 2-24-20