

MINNESOTA • REVENUE

Memo

Date: July 10, 2009

To: All County Assessors

From: Andrea Fish, State Program Administrator
Information and Education Section

Subject: Disabled Veterans' Homestead Market Value Exclusion

Recently, we became aware of some difficulty with the new letters the Veteran's Affairs office were supplying. It was (and still is) our understanding at Revenue that those letters should be making it easier for assessors to administer the program. The letters from the VA should provide all the information necessary for you to determine eligibility for either the \$150,000 or \$300,000 exclusions.

After receiving multiple requests for clarification, we present this memo with the intent of providing a new way of reading these VA letters to determine exclusion eligibility. Surprisingly, the easiest way to read the letters is to read them "bottom-up" starting with the last rating question.

If the answer to the question "Are you considered to be totally and permanently..." is YES, the person is eligible for the \$300,000 exclusion and does not need to annually reapply. No further information is necessary concerning the level of disability. You do not need to cross-check with the combined service evaluation. Veterans are eligible for the \$300,000 exclusion if and **only** if this says "YES." If the answer is "NOT INDICATED", go to the next question.

If the answer to the question, "Are you entitled to a higher level of disability..." is "YES", the person is eligible for the \$150,000 exclusion and needs to reapply annually. You do not need to cross-reference the combined evaluation percentage, as this veteran is considered 100 percent disabled for our purposes. If the answer is "NOT INDICATED", go to the next question.

If the line "Your combined service-connected evaluation is:" shows a number between 70 and 100, the person is eligible for the \$150,000 exclusion and needs to annually reapply. If the number is less than 70 and the other two questions are "NOT INDICATED", the person is not eligible for any exclusion.

In other words, reading from the bottom up, if the first two questions (totally and permanently disabled or higher level of disability) are "NOT INDICATED" or "NO," this final question **must** say at least 70 for the veteran to qualify.

The following pages are examples of this “bottom-up” technique. The final example shows a veteran with a 60 percent combined rating who is totally and permanently disabled and eligible for the maximum exclusion. There is also a flow chart outlining these steps.

As always, if you have questions please do not hesitate to contact our division at proptax.questions@state.mn.us.

DATE: MARCH 31, 2009

VETERANS NAME:

JOE E VETERAN

JOE E VETERAN
1 MAIN STREET
BROWNSVILLE, PENNSYLVANIA 11111

This letter is a summary of benefits you currently receive from the Department of Veterans Affairs (VA). We are providing this letter to disabled veterans to use in applying for benefits such as state or local property or vehicle tax relief, civil service preference, to obtain housing entitlements, free or reduced state park annual memberships, or any other program or entitlement in which verification of VA benefits is required. Please safeguard this important document. This letter is considered an official record of your VA entitlement.

Our records contain the following information:

Personal Claim Information:

Your VA claim number is: 111-11-1111

You are the veteran

Military Information:

Your character(s) of discharge and service date(s) include:

HONORABLE, 27 APR 71 – 2 MAY 74

(You may have additional periods of service not listed above)

Are you a former prisoner of war: YES

[Starting here, "Are you considered to be totally and permanently disabled due to your service-connected disabilities" if- and ONLY if- this is marked "YES" the veteran qualifies for the \$300,000 exclusion.

If this says "NO" or "NOT INDICATED", move to the next question up regarding unemployability.]

VA Benefits Information:

[Redacted]

Are you considered to be totally and permanently disabled due to your service-connected disabilities: YES

Are you service-connected for loss of or loss of use of a limb, or are you totally blind in or missing at least one eye: YES

Have you received a Specially Adapted Housing (SAH) and /or Special Home Adaptation (SHA) grant: YES

Are you in receipt of non-service-connected pension: NO

You should contact your state or local office of veterans' affairs for information on any tax, license, or fee-related benefits for which you may be eligible. State offices of veterans' affairs are available at <http://www.va.gov/statedva.htm>.

If you have any questions about this letter or need additional verification of VA benefits, please call us at 1-800-827-1000. If you use a Telecommunications Device for the Deaf (TDD), the number is 1-800-829-4833. You may also visit our website at <http://www.va.gov/>.

Sincerely yours,

Veterans Service Center Manager

DATE: MARCH 31, 2009

VETERANS NAME:

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Our records contain the following information:

Personal Claim Information:

Your VA claim number is: 111-11-1111

You are the veteran

Military Information:

Your character(s) of discharge and service date(s) include:

HONORABLE, 27 APR 71 – 2 MAY 74

(You may have additional periods of service not listed above)

Are you a former prisoner of war: YES

VA Benefits Information:

Service-connected disability: YES

Your combined service-connected evaluation is: 70

Are you service-connected for loss of or loss of use of a limb, or are you totally blind in or missing at least one eye: YES

Have you received a Specially Adapted Housing (SAH) and /or Special Home Adaptation (SHA) grant: YES

Are you in receipt of non-service-connected pension: NO

You should contact your state or local office of veterans' affairs for information on any tax, license, or fee-related benefits for which you may be eligible. State offices of veterans' affairs are available at <http://www.va.gov/statedva.htm>.

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Sincerely yours,

Veterans Service Center Manager

[*This veteran is eligible for the \$150,000 exclusion. The combined service-connected evaluation is 70 percent, and the veteran does not have "individual unemployability."]**

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Our records contain the following information:

Personal Claim Information:

[REDACTED]

You are the veteran

Military Information:

Your character(s) of discharge and service date(s) include:

HONORABLE, [REDACTED]

[REDACTED]

[REDACTED]

VA Benefits Information:

Service-connected disability: YES

Your combined service-connected evaluation is: 60

Are you entitled to a higher level of disability due to being unemployable: YES

Are you considered to be totally and permanently disabled due to your service-connected disabilities: YES

[REDACTED]

[REDACTED]

[REDACTED]

You should contact your state or local office of veterans' affairs for information on any tax, license, or fee-related benefits for which you may be eligible. State offices of veterans' affairs are available at <http://www.va.gov/statedva.htm>.

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Sincerely yours,

Veterans Service Center Manager

*****Even though the combined evaluation is 60, the "first" question we regard ("Are you considered totally and permanently disabled...") says YES, and this veteran is eligible for the maximum exclusion.**

MINNESOTA ▪ REVENUE

Determining Disabled Veteran's Market Value Exclusion Based on the NEW Veteran's Affairs Letters

Rev. 7/2009

Determining eligibility based on the new VA letters should be easier for counties.
It may work best to start from the bottom and read your way up the
"VA Benefits Information" section of the letter:

VA Benefits Information:

Service-connected disability: YES

Your combined service-connected evaluation is: 70

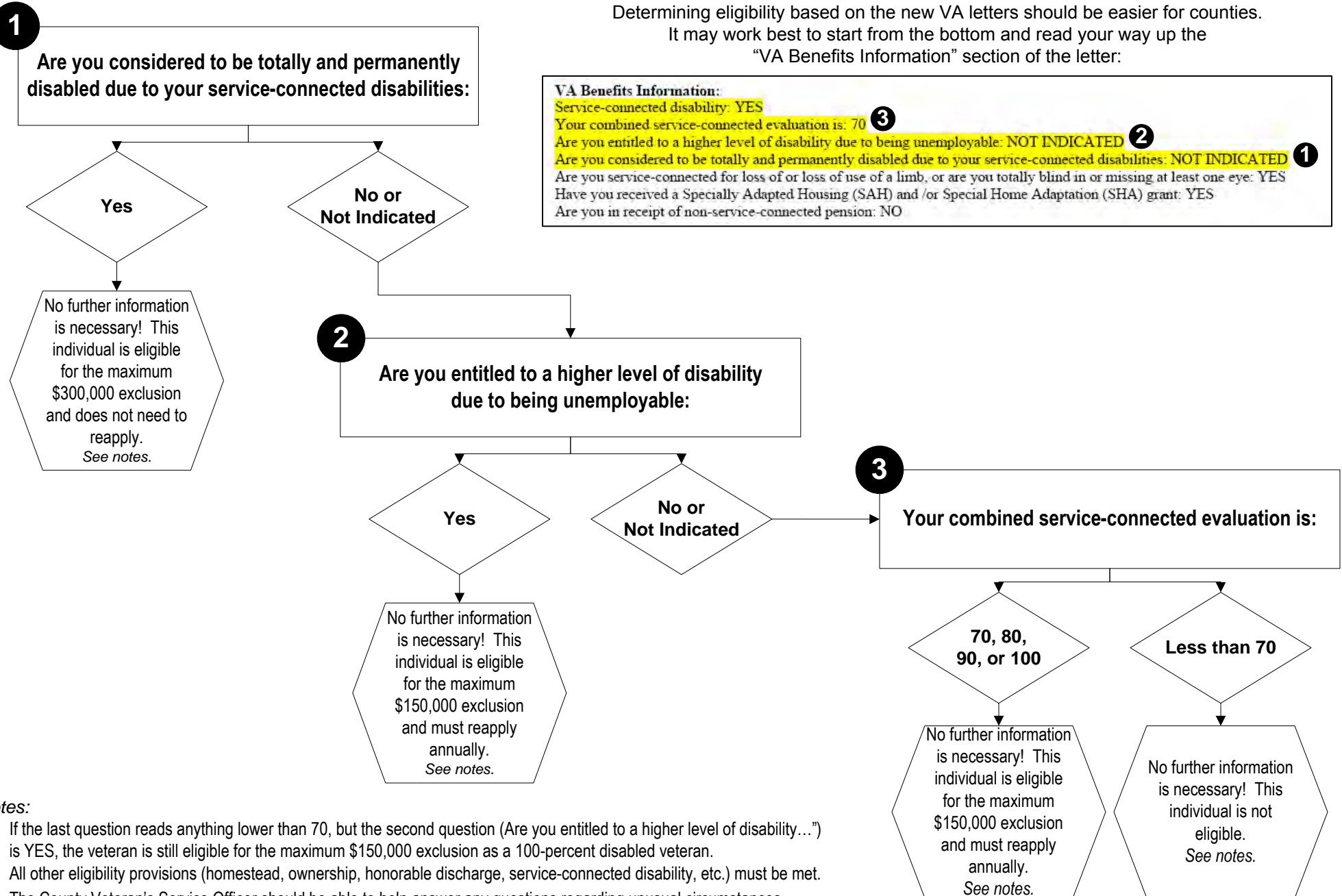
Are you entitled to a higher level of disability due to being unemployable: NOT INDICATED

Are you considered to be totally and permanently disabled due to your service-connected disabilities: NOT INDICATED

Are you service-connected for loss of or loss of use of a limb, or are you totally blind in or missing at least one eye: YES

Have you received a Specially Adapted Housing (SAH) and /or Special Home Adaptation (SHA) grant: YES

Are you in receipt of non-service-connected pension: NO



Notes:

- If the last question reads anything lower than 70, but the second question (Are you entitled to a higher level of disability...) is YES, the veteran is still eligible for the maximum \$150,000 exclusion as a 100-percent disabled veteran.
- All other eligibility provisions (homestead, ownership, honorable discharge, service-connected disability, etc.) must be met.
- The County Veteran's Service Officer should be able to help answer any questions regarding unusual circumstances.