



# Guideline

## Property Tax Property Tax Credit for Disabled Veterans

North Dakota Century Code §§ 57-02-08.8 and 57-55-10(1)(c)

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### Disabled Veterans

A disabled veteran may qualify for a property tax credit on the veteran's homestead.

### Eligibility Requirements

1. The applicant must be a disabled veteran of the United States armed forces with an armed forces service-connected disability of 50 percent or greater, or a disabled veteran who has an extra-schedular rating to include individual unemployability that brings the veteran's total disability rating to 100 percent as determined by the Department of Veterans' Affairs.
2. The veteran must have been discharged under honorable conditions or be retired from the armed forces of the United States.
3. The percentage of credit allowed is equal to the percentage of the disabled veteran's disability compensation rating for service-connected disabilities as certified by the Department of Veterans' Affairs for the purpose of applying for a property tax exemption.
4. The unremarried surviving spouse of a deceased qualifying veteran is eligible for the credit. An unremarried surviving spouse who is receiving Department of Veterans' Affairs dependency and indemnity compensation receives a 100 percent exemption.
5. The disabled veteran's income and assets do not affect eligibility for the credit.

### Property Qualifying for Credit

6. The credit equals the disabled veteran's percentage of disability applied to the first \$5,400 of taxable value of fixtures, buildings, and improvements of the disabled veteran's homestead.
7. If two disabled veterans are married to each other and living together, their combined credits may not exceed 100 percent of \$5,400 of taxable value of the fixtures, buildings, and improvements of the homestead.
8. If a disabled veteran co-owns the homestead property with someone other than the disabled veteran's spouse, the credit is limited to that disabled veteran's interest in the fixtures, buildings, and improvements of the homestead, to a maximum amount calculated by multiplying \$5,400 of taxable valuation by the disabled veteran's percentage of interest in the homestead property and multiplying the result by the applicant's certified disability percentage.

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9. A mobile home qualifies for the credit if the mobile home is the disabled veteran's homestead.
10. Land is not eligible for the credit.
11. A person who meets the income and asset requirements for homestead credit may apply for that program also.

## **Additional Requirements**

12. Property must be owned and occupied as a homestead (defined in N.D.C.C. § 47-18-01) by a qualifying disabled veteran or unremarried surviving spouse.
13. The veteran must have 50 percent or greater service-connected disability on the assessment date. The percentage rating on the assessment date applies for the whole year.
14. If the applicant is a surviving spouse of a deceased disabled veteran, the deceased veteran must have been disabled prior to the assessment date.
15. A disabled veteran or unremarried surviving spouse claiming a credit for the first time shall file with the county auditor an affidavit showing the required facts, a description of the property, a copy of the DD Form 214 showing the veteran's honorable discharge from active military service and a certificate from the United States Department of Veterans' Affairs certifying to the amount of the disability. Those documents are confidential under N.D.C.C. § 37-18-11.
16. A person shall thereafter furnish to the assessor or other assessment officials, when requested to do so, any information which is believed will support the claim for credit for any subsequent year.
17. If property ownership changes after the assessment date, N.D.C.C. § 57-02-41 provides for proration of the assessment.
18. If a qualifying disabled veteran or unremarried surviving spouse moves to a different homestead, the credit is portable and may be applied to the person's new homestead.

## **Cancellation of Unpaid Taxes**

19. The county commissioners have the authority to cancel the portion of the tax that represents the credit calculated in accordance with this section for any year that a disabled veteran or unremarried surviving spouse is eligible for the credit.

## **Calculations: Various Scenarios (Assume all applicants qualify)**

20. Facts: Taxable value (TV) of fixtures, buildings, and improvements is greater than \$5,400.  
Applicant has 80 percent disability, is married and living with spouse.

TV of homestead	\$ 8,775		
Less TV of land	<u>- 1,350</u>		
TV of improvements		\$ 7,425	
Maximum TV credit allowed	5,400		
x Applicant's interest in the property 100%	<u>x 1.00</u>		
TV of credit allowed for 100% interest	\$ 5,400		
x Disability percentage	<u>x .80</u>		
TV of credit	4,320		
TV of taxable improvements (\$7,425 - \$4,320)		\$ 3,105	
TV of land		<u>+ 1,350</u>	
TV of homestead after disabled veterans' credit			\$ 4,455

21. Facts: Taxable value (TV) of fixtures, buildings, and improvements is less than \$5,400. Applicant has 60 percent disability, is single, and co-owns the homestead with a non-spouse.

TV of homestead	\$ 4,905		
Less TV of land	<u>- 675</u>		
TV of improvements		\$ 4,230	
TV of credit available (less than \$5,400)	4,230		
x Applicant's interest in the property 50%	<u>x .50</u>		
TV of credit allowed for 50% interest	2,115		
x Disability percentage	<u>x .60</u>		
TV of credit	1,269		
TV of taxable improvements (\$4,230 - \$1,269)		\$ 2,961	
TV of land		<u>+ 675</u>	
TV of homestead after disabled veterans' credit			\$ 3,636

22. Facts: Taxable value (TV) of fixtures, buildings, and improvements is greater than \$5,400. Applicant is the unremarried surviving spouse of a disabled veteran whose disability was certified at 70 percent. Applicant is receiving Department of Veterans' Affairs dependency and indemnity compensation (qualifies for 100 percent).

TV of homestead	\$ 9,675		
Less TV of land	<u>- 1,350</u>		
TV of improvements		\$ 8,325	
Maximum TV credit allowed	5,400		
x Applicant's interest in the property 100%	<u>x 1.00</u>		
TV of credit allowed for 100% interest	5,400		
x Disability percentage (100% - see above)	<u>x 1.00</u>		
TV of credit	5,400		
TV of taxable improvements (\$8,325 - \$5,400)		\$ 2,925	
TV of land		<u>+ 1,350</u>	
TV of homestead after disabled veterans' credit			\$ 4,275

23. Facts: Applicant has 50 percent disability, is married, and is living with the spouse.  
 Applicant sold House No. 1 on March 31, and bought and moved into House No. 2 on April 1. Applicant was eligible for credit for House No. 1 from January 1 through March 31. Applicant was eligible for credit for House No. 2 from April 1 through December 31.

TV of homestead – <b>House No. 1</b>	\$ 7,560		
Less TV of land	<u>- 990</u>		
TV of improvements		\$ 6,570	
Maximum TV credit allowed	5,400		
x Applicant’s interest in the property – 100%	<u>x 1.00</u>		
TV of credit allowed for this applicant	5,400		
x Disability percentage	<u>x .50</u>		
TV of credit	2,700		
x Percentage of year eligible for credit - January 1 – March 31	<u>x .25</u> 675		
TV of taxable improvements (\$6,570 - \$675)		\$ 5,895	
TV of land		<u>+ 990</u>	
TV of <b>House No. 1</b> after disabled veterans’ credit			\$ 6,885
TV of homestead – <b>House No. 2</b>	\$ 9,450		
Less TV of land	<u>- 1,440</u>		
TV of improvements		\$ 8,010	
Maximum TV credit allowed	5,400		
x Applicant’s interest in the property – 100%	<u>x 1.00</u>		
TV of credit allowed for this applicant	5,400		
x Disability percentage	<u>x .50</u>		
TV of credit	2,700		
x Percentage of year eligible for credit - April 1 – December 31	<u>x .75</u> 2,025		
TV of taxable improvements (\$8,010 – 2,025)		\$ 5,985	
TV of land		<u>+ 1,440</u>	
TV of <b>House No. 2</b> after disabled veterans’ credit			\$ 7,425