

Property Tax Assistance for Veterans

This fact sheet summarizes the information veterans and tax preparers need to ensure veterans receive available property tax assistance through the Property Tax Exemption and Property Tax Credit Claim options. If you need more information about your eligibility for the Veterans Exemption contact the Vermont Office of Veterans Affairs (<https://veterans.vermont.gov>). For further assistance with the Property Tax topics covered below, email the Taxpayer Services division at tax.IndividualIncome@vermont.gov or call (802) 828-2865.

Property Tax Exemption

A disabled veteran (and a spouse, widow, widower, or child of a disabled veteran) who owns a home in Vermont and occupies it as an established residence may be eligible for a property tax exemption. The exemption reduces the assessed value of the property, lowering property taxes. It differs from any application made with the Vermont Department of Taxes for your Homestead Declaration and Property Tax Credit Claim.

SUMMARY OF BENEFITS LETTER
VA Regional Benefits Office
White River Junction
(800) 827-1000
<https://www.va.gov/records/download-va-letters/>

State law mandates a minimum \$10,000 property tax exemption for veterans in municipal and education grand lists. Cities and towns may vote to increase the exemption to \$40,000 in the municipal grand list. The exemption amount will reduce the assessed value of a veteran's property. Veterans are eligible for the exemption in one of three circumstances:

- Disability compensation for 50% or higher disability or
- Veterans Pension for Non-Service Connected Disability, also known as V.A. Pension or Widower's Pension or
- Military retirement pay for a permanent medical military retirement

If a veteran with a disability qualifies for this exemption, the U.S. Department of Veterans Affairs will issue a Summary of Benefits Letter. To request this letter, apply through the VA Regional Benefits Office (<https://www.va.gov>). The annual due date for the request is May 1, and it must be requested each year to maintain eligibility for the exemption. See 32 V.S.A. § 3802(11) (<https://legislature.vermont.gov/statutes/section/32/125/03802>). Surviving spouses of veterans previously qualified for this exemption may also be eligible if they don't re-marry.

Property Tax Credit Claim

Like other homeowners, veterans may qualify for a property tax credit. This Property Tax Credit Claim is made in conjunction with the Homestead Declaration. The state education property tax may then be adjusted based on a percentage of household income. You will need the following forms to file a Property Tax Credit Claim:

- Form HS-122, Homestead Declaration and Property Tax Credit Claim
- Schedule HI-144, Household Income

When completing the Property Tax Credit Claim, enter the housesite value and property taxes as shown in the housesite section of your property tax bill. For more information, see Homestead Declaration and Property Tax Credit Claim (<https://tax.vermont.gov/property>).

Important note on Household Income: Household Income differs from the income reported on the income tax forms. It includes both taxable and nontaxable income. Social Security, nontaxable pensions, some gifts, and all benefits paid by the Veterans Administration are considered part of household income and must be reported on Vermont Schedule HI-144, Household Income.