

- SUBJECT:** Modifying the homestead tax exemption for veterans with disabilities
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 10 ayes — Meyer, Thierry, Button, Cole, Guerra, Murphy, Noble, Rodriguez, Sanford, Shine
- 0 nays
- 1 absent — Martinez Fischer
- SENATE VOTE:** On final passage, April 19 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — None
- Against — None
- On — (*Registered, but did not testify*): Korry Castillo, Comptroller of Public Accounts)
- BACKGROUND:** Under Tax Code sec. 11.131(b), a disabled veteran who receives from the U.S. Department of Veterans Affairs 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption of the total appraised value of the veteran’s residence homestead.
- Concerns have been raised that uncertainty over the wording of the statutory residence homestead tax exemption for veterans with disabilities has led to some qualifying veterans who have been awarded such compensation but have received deductions not receiving this tax exemption.
- DIGEST:** SB 794 would specify that Tax Code sec. 11.131(b) applied to a disabled veteran who had been awarded, rather than received, total disability compensation and a rating of 100 percent disabled or of individual unemployability by the U.S. Department of Veteran Affairs.

The bill would take effect January 1, 2022, and apply only to a property tax year beginning on or after that date.

**NOTES:**

According to the Legislative Budget Board, passage of the bill could increase the number of veterans who would be eligible for a total homestead property tax exemption. As a result, taxable property values could be reduced and the related costs to the Foundation School Fund could be increased through the operation of the school finance formulas.