



Veterans' Exemption Questions and Answers

Partial Exemption from Property Taxes in New York State

Types of exemptions

What property tax relief programs are available to veterans?

There are three different property tax exemptions available to veterans who own real property. A veteran is anyone who served in the U.S. Armed Forces, which includes the U.S. Army, Navy, Air Force, Marines, and Coast Guard.

Alternative Veterans' Exemption	Available to veterans who served during a period of war or have received an expeditionary medal.
Cold War Veterans' Exemption	Available to veterans who served during the Cold War period.
Eligible Funds Exemption	Available to veterans and certain persons who purchased their home with pension, bonus, or insurance monies, referred to as eligible funds.

Who offers the exemptions?

Any county, city, town, school district, or village may choose to offer one or more of these exemptions. That means your county, school, and municipal taxes could all be reduced by qualifying for an exemption. None of the exemptions apply to special district levies or special assessments. Ask your assessor or city or town clerk whether any of the veterans' exemptions are available for your property.

How do I claim an exemption?

You must file the appropriate application with the assessor:

- Form RP-458-a (Alternative Veterans' Exemption)
- Form RP-458-b (Cold War Veterans' Exemption)
- Form RP-458 (Eligible Funds Exemption)

All applications are available from your assessor's office or on the Tax Department's website at www.tax.ny.gov.

What is the deadline for applying?

Each application must be filed by the taxable status date. In most communities, this date is March 1. To find your community's taxable status date, visit orps1.orpts.ny.gov/cfapps/MuniPro (search: *muniopro*). We recommend you check the taxable status date on the website and then confirm it by contacting your assessor.

Can I receive more than one exemption?

No, you generally can only receive one exemption at a time. However, if you co-own the property with another qualified veteran, each of your exemptions can be combined. Also, if you have an eligible funds exemption on your county, city, town and/or village taxes, and your school district opts to offer the alternative veterans exemption, you may receive the alternative veterans exemption for school purposes while continuing to receive the eligible funds exemption for the other purposes, assuming you qualify for both exemptions.

What are the ownership requirements?

The legal title of the property must be in the name of the:

- veteran or spouse, or both,
- unremarried surviving spouse, or
- Gold Star Parent, if allowed by the community

A Gold Star Parent is a parent of a child who died in the line of duty while serving in the Armed Forces during a period of war. Under certain circumstances, the exemption also may be allowed where title is in the name of the dependent parent of the veteran or his or her child who is under 21 years of age.

How is the exemption administered where property is in a trust or a life estate?

The ownership requirement will be met if the veteran, spouse, unremarried surviving spouse, or Gold Star Parent is a trustee or beneficiary of the trust or is the life tenant of the property.

What are the residential and occupancy requirements?

For the alternative and Cold War exemptions, the property must be the primary residence of the veteran, unremarried surviving spouse, or Gold Star Parent, unless that person is absent from the property due to medical reasons or is institutionalized. The exemptions may apply to mixed-use properties, but only for the portion owned and used as a primary residence. For the eligible funds exemption, there is no restriction on how the property may be used.

Alternative Veterans' Exemption

How does the Alternative Veterans' Exemption work?

The exemption reduces the assessed value of your primary residence before the tax rate is applied. There are three levels of benefits:

- 15% of assessed value for veterans who served during a period of war
- Additional 10% for veterans who served in a combat zone
- Additional benefit for disabled veterans (equal to one-half of their service-connected disability rating)

Note: Each of these reductions is subject to maximum limits set by the local community.

You should check with your assessor to determine the maximum exemption limits in your community.

Do I need to submit proof with my application?

Yes, you must attach proof that shows you served during a period of war, received an expeditionary medal, served in a combat zone, or have a service-connected disability.

What type of proof will be accepted?

See the complete list of Acceptable Military Records for Veterans' Property Tax Exemption at www.tax.ny.gov/pit/property/exemption/vetexemptproof.htm. You should also provide a copy of discharge orders and VA documentation for disability rating, if applicable. To show that you or your spouse owns the property, include a copy of the deed, mortgage, or other similar document.

Where can I get a copy of my veteran's service record or other information to document my eligibility?

If you are a veteran, or next-of-kin of a deceased veteran, visit www.archives.gov/research_room/vetrecs to order a copy of your military records. All others must file federal Form 180, *Request Pertaining to Military Records*.

You may also contact your local office of the New York State Division of Veterans' Services or your County Veterans' Service Agency for assistance.

What does *period of war* apply to?

You are eligible for the exemption if you served on active duty in the U.S. armed services during:

- the Persian Gulf Conflict (on or after August 2, 1990)
- the Vietnam War (November 1, 1955 to May 7, 1975)
- the Korean War (June 27, 1950 to January 31, 1955), or
- World War II (December 7, 1941 to December 31, 1946)

May a veteran who did not serve during a period of war qualify for the exemption?

Yes, you may still qualify if you received:

- an Armed Forces expeditionary medal,
- a Navy expeditionary medal,
- a Marine Corps expeditionary medal,
- a Global War on Terrorism expeditionary medal, or
- an Inherent Resolve Campaign Medal.

May a member of the reserves qualify for the exemption?

Yes, you may still qualify if you meet **all** of the following requirements:

- you are still a member of the reserve component of the Armed Forces;
- you were discharged or released from active duty other than active duty for training; and
- your active duty was significant and full-time.

What if I buy a new home?

If you move within a community that allows a prorated alternative veterans' exemption, you can receive this benefit on your replacement residence for the remainder of the year. However, you must file a new Form RP-458-a with the assessor by the taxable status date to receive the exemption going forward.

What happens if my service-connected disability rate changes?

Any change in the percentage of disability rating must be reported by filing Form RP-458-a-Dis, *Renewal Application for Alternative Veterans Exemption from Real Property Taxation Based on Change in Service-Connected Disability Compensation Rating*, with the assessor.

Cold War veterans' exemption

How does the Cold War veterans' exemption work?

The exemption reduces the assessed value of your primary residence before the tax rate is applied. There are two levels of benefits:

- 10 or 15 percent of the assessed value to veterans who served during the Cold War, depending on the community. This benefit is limited to 10 years.
- Additional benefit to disabled veterans (equal to one-half of their service-connected disability). There is no time limit for the additional benefit.

Note: Each of these reductions is subject to maximum limits set by the local community. To find the maximum exemptions limits in your community, contact your assessor.

Do I need to submit proof with my application?

Yes, you must attach proof that shows you served during the Cold War period and that you either 1) were discharged or released from the Armed Forces under honorable conditions or 2) that you received a letter from the NYS Division of Veterans' Services stating that you now meet the character of discharge criteria for all of the benefits and services listed in the Restoration of Honor Act.

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Where can I get a copy of my veteran's service record, or other information to document my eligibility?

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You may also contact your local office of the New York State Division of Veterans' Services or your County Veterans' Service Agency for assistance.

What does the Cold War period apply to?

You are eligible for the exemption if you served on active duty, other than for training, in the Armed Forces between September 2, 1945, and December 26, 1991.

Eligible funds exemption

How does the eligible funds exemption work?

The exemption reduces the assessed value of your primary residence before the tax rate is applied. The amount of the exemption is equal to the amount of eligible funds used to purchase the home, generally up to a maximum of \$7,500.

What does *eligible funds* apply to?

Eligible funds are any proceeds from a veteran's:

- pension
- bonus or insurance monies
- dividends or refunds from such insurance
- compensation paid for being a prisoner of war
- mustering-out pay, etc.

How does my community's reassessment project affect my exemption?

Local governments have the option to increase the eligible funds exemption in direct proportion to the general increase in assessments throughout the community. For example, if a community-wide property reassessment project increases assessments generally by a factor of 10, the eligible funds exemptions also will be 10 times greater.

I have the eligible funds exemption. Can I switch to the alternative exemption if it becomes available in my community?

You may switch to the alternative exemption if you choose. If you choose not to switch, your current exemption will remain in effect. If you choose to switch, you will have to apply for it.

If I switch to the alternative exemption, can I ever switch back to the eligible funds?

Generally, you cannot later reverse the action. However, there are two exceptions:

- You move to a new location in the state that does not have the alternative exemption and you use the proceeds of the sale of your prior home in your purchase.
- Your community had a reassessment and opted to increase the eligible funds exemption in proportion to the increase in assessments and to allow veterans who switched to the alternative to revert back to the eligible funds exemption.

Can I keep the eligible funds exemption if I move to another house?

Yes, provided you use the proceeds of the sale from your former property to buy your new home.

STATE OF NEW YORK
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NYS Department of Taxation and Finance
Office of Real Property Tax Services
www.tax.ny.gov



Division of Veterans' Services
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