

# State-Mandated Property Tax Benefits for Veterans With P&T Disabilities

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## Issue

What state-mandated property tax benefits are provided to veterans with a permanent and total (P&T) disability rating, as determined by the U.S. Department of Veterans Affairs (U.S. DVA)?

## Summary

There is no state-mandated property tax benefit exclusively or specifically for veterans with a U.S. DVA P&T disability rating. However, these veterans would likely qualify for a state-mandated property tax exemption that is provided to veterans with a U.S. DVA disability rating of 100% regardless of whether the rating is permanent ([CGS § 12-81\(20\)](#)). Depending on the nature of a veteran's P&T disability, he or she may also qualify for an additional exemption towns must provide to veterans with certain specific injuries (referred to as "severe service-related disabilities"), such as the loss of both legs ([CGS § 12-81\(21\)](#)). As described below, the disabilities that qualify a veteran for a severe service-related disability exemption are narrower, but overlap with, the disabilities that qualify a veteran for a U.S. DVA P&T disability rating.

The U.S. DVA assigns [disability ratings](#), expressed as a percentage, based on the severity of a veteran's service-connected condition, with a 100% (or total) disability rating being the highest. Total disability ratings may be temporary or permanent. Generally, a condition is considered permanent when it is reasonably certain to continue throughout the person's life. Under federal law the following are explicitly considered P&T disabilities (but other conditions also qualify depending on their severity): the permanent loss of the use of both hands, or of both feet, or of one hand and

one foot, or of the sight of both eyes, or becoming permanently helpless or permanently bedridden ([38 C.F.R. § 4.15](#)).

Veterans with a U.S. DVA P&T disability status may also qualify for state-mandated property tax benefits provided to individuals (regardless of their veteran status) receiving permanent total [disability benefits under Social Security](#) or a comparable federal, state, or local retirement or disability plan. These include a (1) \$1,000 exemption for permanently and totally disabled residents ([CGS § 12-81\(55\)](#)) and (2) a property tax credit under the [Circuit Breaker Program](#) ([CGS § 12-170aa](#)).

## State-Mandated Property Tax Exemptions for Veterans With Disabilities

Veterans with disabilities who reside in-state are entitled to certain property tax exemptions, the amount of which depend on the severity and nature of the disability and the veteran’s income level. (Exemptions are a reduction in a property’s assessed value on which taxes are owed; they are not credits against the total amount owed.)

As shown in Table 1 below, the two state-mandated veterans exemptions for which a veteran with a P&T disability would most likely qualify (for 100% ratings or severe service-related disabilities) consist of two parts:

### Income Thresholds

For state-mandated exemptions, the income threshold for veterans with a 100% disability rating is:

- \$18,000 for unmarried veterans and
- \$21,000 in joint income for married veterans ([CGS § 12-81g\(a\)](#))

1. a “base exemption,” the amount of which is set in statute ([CGS § 12-81\(20\) & \(21\)](#)), and
2. an “income-based exemption” equal to:
  - 50% of the base exemption if the veteran’s income exceeds the applicable statutorily-set income threshold (see “Income Thresholds” above); or
  - twice the base exemption if the veteran’s income is at or below the threshold ([CGS § 12-81g\(a\) & \(d\)](#)).

**Table 1: Minimum State-Mandated Property Tax Exemption Amounts for Which P&T Disabilities May Qualify**

Exemption	Base Amount		Income-Based Amount <sup>1</sup>			Minimum Total Exemption <sup>2</sup>	
	(set in statute)		Above threshold (add'l 50%)	or	At or below threshold (add'l 200%)	Above threshold	At or below threshold
<b>Disability Rating (76%-100% rating)<sup>3</sup></b>	\$3,500	+	\$1,750	or	\$7,000	=	\$5,250 or \$10,500
	<i>Plus the amount below, if applicable</i>						
<b>Severe Service-Related Disability<sup>4</sup></b>							
Loss of one arm or leg	\$5,000	+	\$2,500	or	\$10,000	=	\$7,500 or \$15,000
Loss of both arms, legs, feet, or other listed disabilities	\$10,000	+	\$5,000	or	\$20,000	=	\$15,000 or \$30,000

1. [CGS § 12-81g\(a\)&\(d\)](#)
2. N.b., actual base amounts are adjusted higher in most towns. By law, towns must increase these amounts following certain revaluations ([CGS § 12-62g](#)).
3. [CGS § 12-81\(20\)](#)
4. [CGS § 12-81\(21\)](#)

The exemption amounts in the table above are minimum exemption amounts. The actual amount a town provides may be higher in towns that (1) performed a revaluation that triggered a mandatory increase under [CGS § 12-62g](#) (OLR Report [2024-R-0004](#) provides additional information on the amount by which each town must increase them) or (2) choose to provide additional, municipal-option exemptions.

OLR Report [2023-R-0175](#) provides a detailed overview of the eligibility requirements for these and other exemptions.

### ***100% Disability Rating***

Veterans with a U.S. DVA disability rating of at least 10% are eligible for a property tax exemption, the amount of which depends on the veteran’s income level and disability rating (amounts are graduated by rating). Veterans with a rating of more than 75% are generally entitled to a base exemption of \$3,500 plus an additional income-based amount, as described above ([CGS § 12-81\(20\)](#)). Because eligibility is not dependent on whether the veteran’s rating (100% or otherwise) is permanent, this exemption implicitly applies to veterans with a P&T rating.

## ***Severe Service-Related Disability***

Veterans who qualify for the disability rating property tax exemption described above may also qualify for a severe service-related disability exemption if he or she has certain, specified injuries. Some of these specified injuries overlap with injuries that qualify a veteran for a P&T disability rating under federal law (see Summary above).

For veterans who lost the use of an arm or a leg, the exemption is \$5,000, plus an income-based amount as described above. The exemption is generally \$10,000, plus an income-based amount, for the following injuries:

1. permanent loss of the use of both legs or permanent paralysis of both legs and lower parts of the body;
2. permanent paralysis of one leg and one arm on either side of the body resulting from injury to the spinal cord, skeletal structure, or brain or from spinal cord disease;
3. the amputation of both arms, legs, hands, or feet or a combination of a hand and a foot; or
4. total blindness ([CGS § 12-81\(21\)](#)).

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