

Real Estate Tax Exemption for Disabled Veterans'



VALTA
October 19, 2012

Sherry Roberson, MDCR
Deputy Commissioner of the Revenue
City of Chesapeake

- Legislation

- Eligibility and Administration

- Role of VDVS

- Resources & References

- Open Discussion and Questions



■ History of Legislation

- Voter's Ballot
 - Nov. 2, 2010
 - Constitution Amendment
 - Article X, § 6-A
- 2011 General Assembly
 - April 6, 2011
 - Legislation Enacted
 - §58.1-3219.5 and §58.1-3219.6



■ ...History of Legislation

- Advisory Opinion
 - A.G. Opinion #11-061
 - July 15, 2011
- Localities At Work
 - Fine Tuning Procedures
 - Processing Applications
 - Exonerations and Refunds



■ Current Law

- 2012 General Assembly

- April 4, 2012

- Legislation amended

- 58.1-3219.5 was reformed

- 58.1-3219.6 remained unchanged

- 58.1-3219.7 was added

- 58.1-3219.8 was added

■ Eligibility

– Qualified Veteran

- Certification from VA
 - Summary of Benefits Letter or Award Letter
- Service-Connected Rating of 100% OR paid at 100% due to Individual Unemployability (IU)
AND
- Permanently and Totally disabled due to service-connected disabilities (P&T)
- Owns Property for which exemption is sought (Refer to 58.1-3219.5)
- Occupies Property as Principal Residence

■ ...Eligibility

– Qualified Surviving Spouse

- VA Certification of Spouse being qualified Veteran
 - 100% Rating or 100% IU and P&T
- Veteran's death occurred on/after January 1, 2011
- Owns Property for which tax exemption is sought
 - Legal Ownership in accordance to §58.1-3219.5
- Continues to occupy same place of residence as that of qualified Veteran
- Does Not Remarry

■ Ownership of Real Property §58.1-3219.5(D)

- Held by Veteran alone as Tenant for Life or

1 jointly with Spouse as Tenants for Life/Joint Lives

- Held by Surviving Spouse as Tenant for Life

2 ■ Held in a Revocable Inter Vivos Trust

- Veteran or Veteran/Spouse hold Power of Revocation

3 - Surviving Spouse holds Power of Revocation

- Held in an Irrevocable Trust

- Veteran or Veteran/Spouse possesses Life Estate

FULL EXEMPTION



■ ...Ownership of Real Property §58.1-3219.5(E)

- Held by Qualified Applicant in any of the three ways (**1** **2** **3**) set forth in §58.1-3219.5(D)

and

Other(s) have ownership interest permitting them to occupy the property

PARTIAL EXEMPTION

Level of Exemption = $\# \text{Qualified} \div \# \text{Owners}$



■ ...Ownership of Real Property §58.1-3219.5(E)

- Held jointly by persons, not all of whom qualify for the exemption

and

No person is entitled to the exemption by holding ownership in any of the three ways (  ) set forth in §58.1-3219.5(D)

PARTIAL EXEMPTION



Level of Exemption = % of Ownership of #Qualified ÷ 100

■ Important Dates



- Law enacted for Tax Years beginning on/after January 1, 2011
 - Earliest Effective Date of Tax Year
 - 1st day of Locality's Tax Year
 - Not Necessarily January 1, 2011
 - If Tax Year begins July 1st, earliest effective date is July 1, 2011
- Death of Veteran to be on/after January 1, 2011 for Surviving Spouse to Qualify

■ ...Important Dates



– Begin Date of Exemption: the later of.....

■ First Day of Tax Year beginning on/after
January 1, 2011 OR

■ Date of Qualified Disability Rating by VA OR

■ Date Veteran Acquires Principal Residence

Acronyms

- VA – U.S. Department of Veterans Affairs
- VDVS – Virginia Department of Veteran Services
- DAV – Disabled American Veterans (nonprofit)
- VBA – Veterans' Benefit Administration
- VARO – VA's Regional Office (e.g. Roanoke)
- VSC – Veterans' Service Center
- OIG – VA's Office of Inspector General
- IU – Individual Unemployability
- DV – Disabled Veteran
- P&T / PT – Permanently and Totally Disabled

Terms Relating to Trusts

- Trust: relationship whereby property is held by one party for the benefit of another; terms are usually composed in a legal document; ownership of assets are transferred by the grantor to the trust.
- Revocable Trust (aka a Family Trust or Living Trust): a trust that can be amended or revoked at any time by the settlor/grantor
- Inter Vivos: a transfer or gift made during one's lifetime; Latin for "between the living"

Terms Relating to Trusts

- Irrevocable Trust: a trust that cannot be amended or revoked once it is established
- Testamentary Trust: a trust developed through instruction of a will; it is created at or following the death of the settlor
- Power of Revocation: authority to revoke, terminate, annul

Terms Relating to Trusts

- Grantor: person who establishes a trust and transfers assets into the trust; trustor; settlor; creator
- Trustee: person(s) that manages property of a trust; fiduciary
- Beneficiary: person(s) who receive benefits of property held in a trust
- Trust Corpus or Res: property of a trust

Terms Relating to Deeds

- Life Estate: right to have all benefits from a property during one's lifetime; person with the right does not own the property
- Joint Tenancy: when two or more people have equal ownership of the property or equal rights to the property; upon death of one joint tenant, his share transfers to surviving owner(s)

Terms Relating to Deeds

- Tenants by the Entirety: joint tenancy of property between husband and wife; upon death of one spouse, full ownership transfers to surviving spouse
- Tenants in Common: when two or more people share ownership in the property but percentages of ownership may vary; upon death of one owner, his share does not automatically go to the other owner(s) because there is no survivorship provision.

Administrative Concerns of Tax Exemption

- One Time Application
- Unknown / Unreported Changes
 - Disability Rating or P&T Status
 - Marital Status
 - Principal Place of Residence
- Applicant owning multiple homes
 - Could be claiming exemption with multiple localities
- VDVS
 - Limited Access to Veterans' Records

Contact Information for VA and some VDVS Field Offices

U.S. Department of Veterans' Affairs (VA)

VIRGINIA'S DISTRICT OFFICE (ROANOKE): 201 Franklin Rd SW, Roanoke, VA 24011

1-800-827-1000 (service center)

1-540-597-1792 (fax)

(Non-Published #'s) 1-540-597-1730 or 540-597-1729

Suggested Contacts: Mr. Brown and Mr. Grainger

Virginia Department of Veterans' Services (VDVS) Field Offices

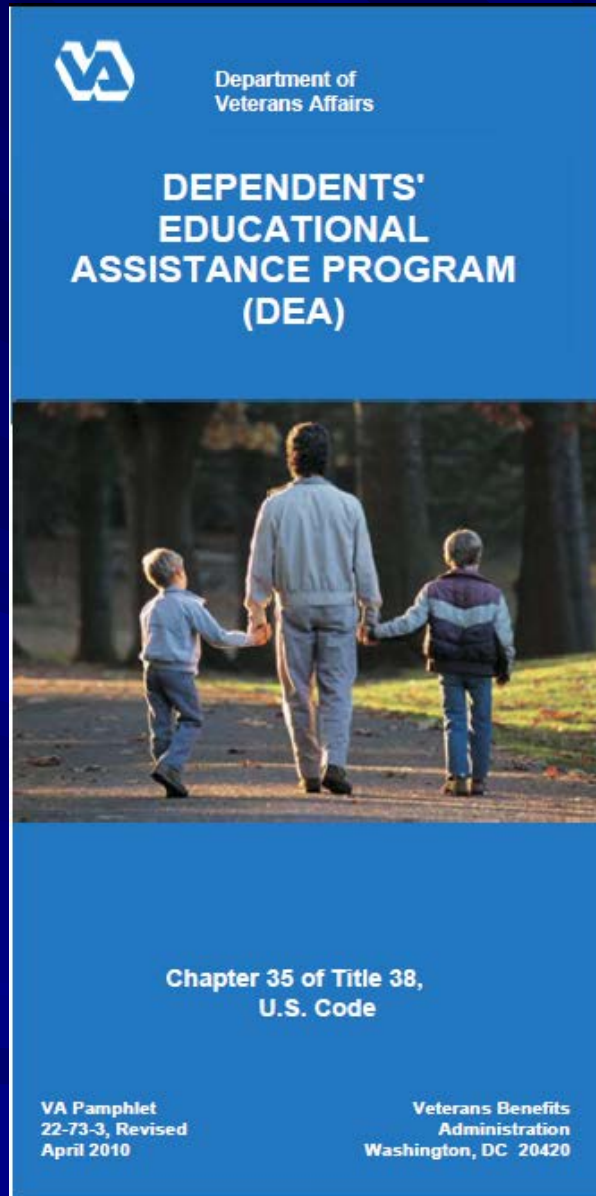
Counties: Charles City, Gloucester, Isle of Wight, James City, Mathews, York

Cities: Norfolk, Hampton, Newport News, Poquoson, Williamsburg, Richmond

Office	Office Address	Phone/Fax	Hours
Norfolk Manager: Virginia Pauley 2 nd Contact: Mario Portillo	6350 Center Drive, Bldg 5, Rm 100 Norfolk, VA 23502	(757) 455-0814 FAX: (757) 455-0818	8:30 – 4:00 Mon thru Fri
Hampton	2019 Cunningham Drive, Ste 105 Hampton, VA 23666	(757) 825-7893 FAX: (757) 825-7894	8:00 – 4:00 Mon thru Fri
Gloucester	Social Services Office 6641 Short Lane Gloucester, VA		9:00 – 11:30 4 th Wed of month
VA Medical Center	VA Medical Center, Building 43, Rm 110b Hampton, VA		8:00 – 4:00 Mon thru Fri
Fort Eustis	Fort Eustis Warrior Trans Unit (WTU) Bldg 601 Fort Eustis, VA		8:00 – 12:00 2 nd and 4 th Tuesdays
Williamsburg	James City County Social Services, Mediate Rm. 5248 Olde Towne Road Williamsburg, VA		8:00 – 12:00 2 nd Thurs of month
Richmond	Bill Janis, Deputy Commissioner 900 East Main St Richmond, VA 23219 bill.janis@dvs.virginia.gov	(804) 786-1051	

State Listing of VDVS Field office locations: www.dvs.virginia.gov/fieldoffice_index.shtml

Alternative Verification of “Totally and Permanently Disabled”



PART 1: ELIGIBILITY

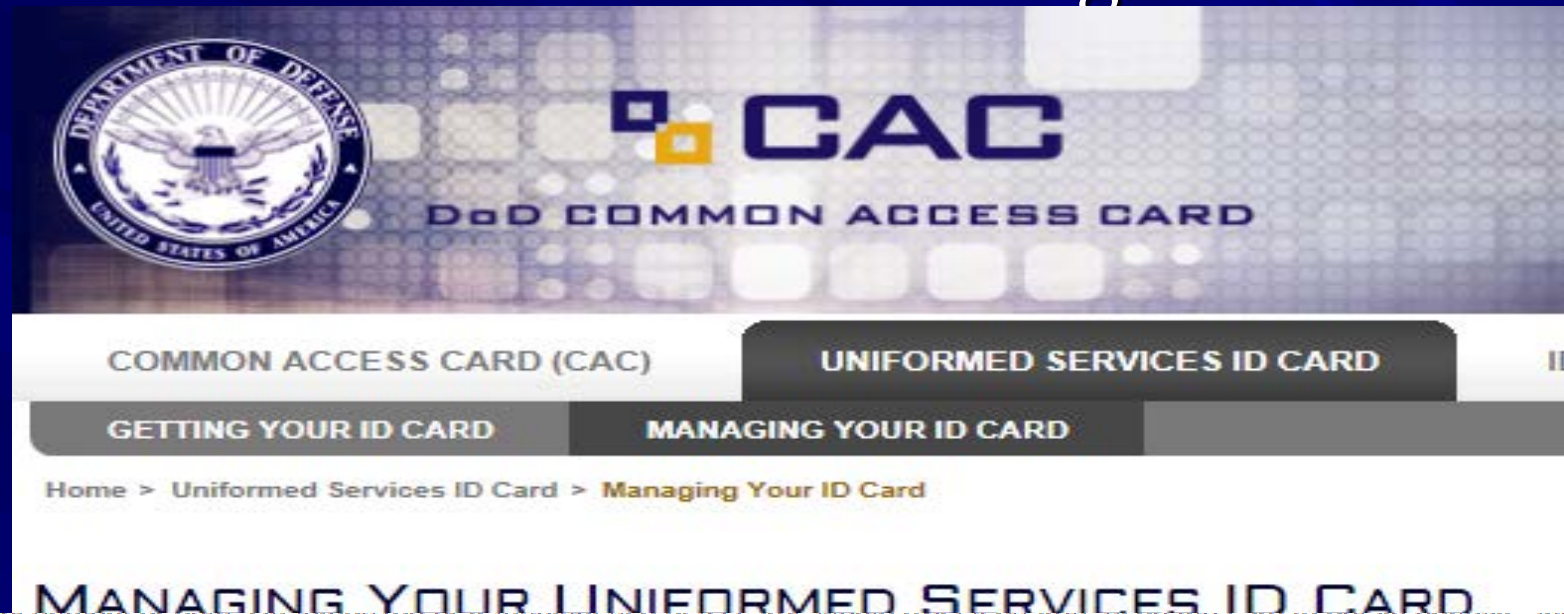
ARE YOU ELIGIBLE?

To be eligible, you must be a spouse, son, or daughter (including stepchild or adopted child), of a

- Veteran who is permanently and totally disabled as the result of, or dies of, a service-connected disability. The disability must arise out of or be aggravated by active duty.

Photocopying Military ID's

■ Authorized for administering benefits



imprisonment or death. Unauthorized or fraudulent use of ID Cards would exist if wearers used the Card to obtain benefits and privileges to which they are not entitled. Examples of authorized photocopying include photocopying of DoD ID cards to facilitate medical care processing, check cashing, voting, tax matters, compliance with appendix 501 of title 50, U.S.C. (also known as "The Servicemember's Civil Relief Act"), or administering other military-related benefits to eligible beneficiaries.

VA Summary of Benefits Letter ----

Reference for in-office use



701 CLAY AVE
WACO TX 76799

*MOST letters are from
Roanoke but not required
(Per RAC 06/20/2011)*

JOE [REDACTED]
421 FLAX [REDACTED]
CHESAPEAKE VA 23322

*Veteran's Name & Address
(If not Veteran's Chesapeake
Residence, add'l info is required)*

**For the Disabled Veteran's
Real Estate Tax Exemption**

April 18, 2011
(or subsequently)

Veteran's Name:
[REDACTED] Joe, G

This is the original 'Determination Letter' sent to qualified applicants on April 18, 2011 for applying for the Disabled Veterans Real Estate Tax Exemption. Normally, this is the letter needed to apply.

Some veterans may have a change in benefits after this letter was mailed. A veteran can acquire a similar 'Summary of Benefits' letter; however it will not have the Effective Date of the Last Change to their Current Award. We need VA documentation of the effective date to any changes to determine when we have the exemption applied.

This letter is a summary of benefits you currently receive from the Department of Veterans Affairs (VA). We are providing this letter to disabled Veterans to use in applying for benefits such as housing entitlements, free or reduced state park annual memberships, state or local property or vehicle tax relief, civil service preference, or any other program or entitlement in which verification of VA benefits is required. Please safeguard this important document. This letter replaces VA Form 20-5455, and is considered an official record of your VA entitlement.

--America is Grateful to You for Your Service--

Our records contain the following information:

Personal Claim Information:

Your VA claim number is: 11111111

You are the Veteran

Military Information:

Your character(s) of discharge and service date(s) include:

Navy, Honorable, 29-Jan-1957 - 31-Jul-1983

(You may have additional periods of service not listed above)

VA Benefits Information:

Service-connected disability: Yes **MUST BE 'YES'**

Your combined service-connected evaluation is: 100 PERCENT

The effective date of the last change to your current award was: DD-Month-YYYY

Your current monthly award amount is: \$2,919.00

Are you being paid at the 100 percent rate because you are unemployable due to your service-connected disabilities: Not Indicated **IF Combined Evaluation Rating is less than 100%, then this line must say YES.**

Are you considered to be totally and permanently disabled due to your service-connected disabilities: Yes **MUST BE 'YES'**

Have you received a Specially Adapted Housing (SAH) and/or Special Home Adaptation (SHA) grant: No

100% Rating OR
paid 100% due to unemployability

Website Resources

- VA <http://www.va.gov/>
- VDVS <http://www.dvs.virginia.gov/index.shtml>
- VDVS Field Office Locations
http://www.dvs.virginia.gov/fieldoffice_index.shtml
- Veterans Benefits Administration 2011 Audit
– 100% Disability Evaluations
<http://www.va.gov/oig/52/reports/2011/VAOIG-09-03359-71.pdf>
- DODi 1000.13 <http://www.cac.mil/docs/DODI-1000.13.pdf>

Disabled Veterans Real Estate Tax Exemption

- Questions
- Open Discussion

