

# Alternative Veterans' Exemption and School Taxes

Whitney Point Central School District



PUBLIC HEARING  
FEBRUARY 2, 2016

# Veteran's Exemptions Currently Available

## for towns, counties, cities and villages only

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### ➤ **Alternative Veterans' Exemption**

Took effect in 1986. Must have served ACTIVE DUTY in a designated period of War. If non-combat, allows for 15% exemption, combat receives 25% exemption. Is capped based on amounts adopted by jurisdiction.

### ➤ **Pro-Rata/Eligible Funds Exemption**

Applies to property that a veteran or certain other designated person purchases. Such owners must purchase the property with pension, bonus or insurance monies. Exemption available up to \$5,000.

### ➤ **Cold War Veterans Exemption**

Adopted in 2008. Allows for 10% or 15% exemption, additional if there was a service connected disability. Awarded to those who served in "non periods of war" (1956-1961 & 1976-1990).

# Alternative Veterans' Exemption History

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- In 1986, this exemption became effective for towns, counties, cities and villages only.
- In December 2013, an amendment passed New York State that allowed schools district to offer the exemption.
- Bill number A565 (Assembly) S119 (Senate).
- Every school district in NYS has complete discretion on whether to offer the exemption or not.
- From the 2015 assessment roles, 220 (30%) out of approximately 733 NYS school districts currently offer some form of this exemption.
- This exemption, if enacted, can be repealed at a later date through a formal board action if necessary.

# Who is Eligible?

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- Individual who served during a “period of war” defined by NYS.
  - WW2 (12/7/1941 to 12/31/1946), Korea (6/27/1950 to 1/31/1955), Vietnam (2/28/1961 to 5/7/1975), Persian Gulf (8/2/90 to the present)
- Individuals that received an expeditionary medal. An expeditionary medal is awarded to military personnel deployed to a foreign region to participate in a military campaign or conflict.
- Un-remarried spouses of qualified veterans (widow/widower who doesn't remarry).
- Gold Star Parents (requires additional public hearing and resolution).

# Exemption Amount

<u>Classification</u>	<u>Exemption Amount</u>
Veterans Who Served During a Period of War	15% of Equalized Assessment Value
Veterans Who Served In a Combat Zone	Additional Exemption of 10% of Equalized Assessment Value
Veteran Who Received Service-Connected Disability	Additional Exemption of $\frac{1}{2}$ of the Disability Rating Multiplied by the Equalized Assessment Value

# Exemption Amount

Any variation from the “**State Default Level**” must be adopted in a separate resolution, after the district holds another public hearing.

	Maximum Exemption		
	Wartime	Combat Zone	Disability
<b>Local Law Minimum</b>	\$6,000	\$4,000	\$20,000
	\$9,000	\$6,000	\$30,000
<b>State Default</b>	\$12,000	\$8,000	\$40,000
	\$15,000	\$10,000	\$50,000
	\$18,000	\$12,000	\$60,000
	\$21,000	\$14,000	\$70,000
	\$24,000	\$16,000	\$80,000
	\$27,000	\$18,000	\$90,000
	\$30,000	\$20,000	\$100,000
	\$33,000	\$22,000	\$110,000
	\$36,000	\$24,000	\$120,000

# Financial Impact

- Similar to any exemption except STAR, the “cost” is redistributed to all non-eligible taxpayers in the district including homeowners and commercial taxpayers. STAR exemptions are offered and paid for by New York State.
- Currently there are at least 331 potentially eligible veterans within our district that could apply for this exemption.
- Assuming the exemption is offered using the state default levels, it is estimated the total financial impact could result in a tax shift of 1.4% or \$108,000 of our overall tax levy.
- Potential STAR reimbursement reduction would also increase the local tax burden (cost unknown at this time).
- A tax redistribution of this amount equates to approximately an annual \$30 increase in taxes for someone with \$100,000 in full assessed property value.

# Sample Scenario

Example of Impact on Two Different Households if Offered at State Default Levels

Veteran Household	Non-Veteran Household
Total Assessment = \$100,000	Total Assessment = \$100,000
Current School Tax = \$1,840	Current School Tax = \$1,840
If enacted:	
Projected School Tax = \$1,519	Projected School Tax = \$1,870
Reduction of \$321 in School Taxes	An Increase of \$30 in School Taxes

\*\*\*Figures are for illustrative purposes only

# Procedure

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## To Enact The Basic (State Default) Exemption

Step 1: Public Hearing

Step 2: Resolution

## Changing The Exemption Cap

Step 1: Enact the Basic Exemption

Step 2: Public Hearing

Step 3: Resolution

## Enacting The Gold Star Parents Exemption

Step 1: Enact the Basic Exemption

Step 2: Public Hearing

Step 3: Resolution