



HOUSE BILL 594: Dis. Veteran Homestead Excl. Prequalification.

2023-2024 General Assembly

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| Committee: | House Rules, Calendar, and Operations of the House | Date: | May 2, 2023 |
| Introduced by: | Reps. Paré, Goodwin, Winslow, Chesser | Prepared by: | Trina Griffin |
| Analysis of: | Second Edition | | Staff Attorney |

OVERVIEW: *House Bill 594 would allow a disabled veteran or the surviving spouse of a disabled veteran who has not remarried to obtain documentation from the local tax assessor showing that the disabled veteran or the surviving spouse qualifies for the disabled veteran property tax homestead exclusion in advance of the purchase of a primary residence.*

CURRENT LAW: A person who is a North Carolina resident, the owner of a permanent residence, and either a disabled veteran or the surviving spouse of a disabled veteran who has not remarried is eligible to exclude from property taxation the first \$45,000 of appraised value of the residence. The disabled veteran (or the surviving spouse) must complete a one-time application for the exclusion and must establish eligibility by providing a copy of the veteran's disability certification or evidence of benefits received under 38 U.S.C. § 2101, which the veteran may obtain from the NC Department of Military and Veterans Affairs or from a county veteran service office.

BILL ANALYSIS: The bill would allow a disabled veteran to "prequalify" for the disabled veteran homestead exclusion in advance of purchasing a primary residence. The intent of the prequalification is to allow the taxpayer and lenders to determine whether the person is eligible for the tax exemption prior to purchasing a residence, which may aid in determining payment calculations and otherwise facilitate the purchase.

In order to obtain prequalification, a disabled veteran or the surviving spouse of a disabled veteran who has not remarried would provide to the local tax assessor the same proof of eligibility that he or she otherwise would when applying for the exclusion along with an application for prequalification. Once submitted, the assessor would have 30 days to notify the applicant of their eligibility for prequalification.

EFFECTIVE DATE: This bill would become effective for taxable years beginning on or after July 1, 2024.

Jeffrey Hudson
Director



Legislative Analysis
Division
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