



# MAINE REVENUE SERVICES PROPERTY TAX DIVISION PROPERTY TAX BULLETIN NO. 7

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## TAX EXEMPTIONS FOR VETERANS

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REFERENCE: 36 M.R.S. § 653

January 11, 2019; replaces December 8, 2017 revision

This bulletin outlines the provisions relating to property tax exemptions for veterans.

### 1. Definitions

- A. Cooperative Housing Corporation. “Cooperative housing corporation” means an entity organized for the purpose of owning residential real estate in which residents own shares that entitle them to inhabit a designated space within a residential dwelling.
- B. Federally Recognized War Period. “Federally recognized war period” means:
- (1) World War I – April 6, 1917 through November 11, 1918;
  - (2) World War I (service in Russia) – April 6, 1917 through March 31, 1920;
  - (3) World War II – December 7, 1941 through December 31, 1946;
  - (4) Korean Conflict – June 27, 1950 through January 31, 1955;
  - (5) Vietnam Era – February 28, 1961 through May 7, 1975. For the period February 28, 1961 through August 4, 1964, federal law restricts the definition of the Vietnam Era war period to relating only to veterans who served in the Republic of Vietnam; and
  - (6) Persian Gulf War – beginning August 2, 1990 and ending on the date that the United States Government recognizes as the end of the Persian Gulf War. The Persian Gulf War includes, but is not limited to, Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn.
  - (7) Other Recognized Service Periods:
    - a. February 28, 1961 through August 4, 1964 (Maine property tax exemption applies to all veterans who served during the period February 28, 1961 through May 7, 1975, regardless of where they served);

- b. August 24, 1982 through July 31, 1984; and
  - c. December 20, 1989 through January 31, 1990.
- C. Legal Resident. “Legal resident” means an individual who is a resident of Maine and whose permanent residence is in the municipality in which a veteran exemption is claimed. A legal resident of a municipality may be receiving a homestead exemption from that municipality.
- D. Property. “Property” means real estate and personal property, including property held in joint tenancy by a qualifying veteran and the qualifying veteran's spouse and property held in a revocable living trust for the benefit of the qualifying veteran, qualifying spouse, qualifying child, or qualifying parent.
- E. Qualifying Child. “Qualifying child” means a minor child of a deceased veteran who:
- (1) Is a legal resident of Maine;
  - (2) Files an application with the assessor of the municipality in which the child resides;
  - (3) Is under the age of 18; and
  - (4) Receives a pension or compensation from the federal government as the minor child of a veteran or whose veteran parent would have been eligible to an exemption under § 653, if alive.
- F. Qualifying Parent. “Qualifying parent” means a widow or widower parent of a deceased veteran who:
- (1) Is a legal resident of Maine;
  - (2) Files an application with the assessor of the municipality in which the parent resides;
  - (3) Has not remarried;
  - (4) Is at least 62 years old; and
  - (5) Receives a pension or compensation from the federal government based on the service-connected death of the veteran as the veteran’s parent.

A divorced or remarried parent of a veteran is not eligible for exemption.

- G. Qualifying Shareholder. “Qualifying shareholder” means a person who is a shareholder in a cooperative housing corporation and who would qualify for a veteran exemption if that person were the owner of the property.
- H. Qualifying Spouse. “Qualifying spouse” means the widow or widower of a deceased veteran who:
- (1) Is a legal resident of Maine;

- (2) Files an application with the assessors of the municipality in which the widow or widower resides;
- (3) Was married to the veteran at the time of the veteran's death and has not remarried; and
- (4) Receives a pension or compensation from the federal government as the widow or widower of a veteran or whose veteran spouse would have been eligible to an exemption under § 653, if alive.

I. **Qualifying Veteran.** “Qualifying veteran” means any person who served on active duty in the Armed Forces of the United States and who was discharged, retired, or separated under other than dishonorable conditions. In most cases, the Department of Veterans Affairs considers the categories of “honorably discharge” and “discharge under honorable conditions” (or “general discharge”) as qualifying for discharge under other than dishonorable conditions. A qualifying veteran must have:

- (1) Served during any federally recognized war period (including other recognized service periods – see Section 1(B));
- (2) Been awarded the Armed Forces Expeditionary Medal;
- (3) Served as a member of the American Merchant Marine in Oceangoing Service between December 7, 1941 and August 15, 1945; or
- (4) Become totally disabled from an injury or disease incurred or aggravated during active military service in the line of duty and be receiving any form of pension or compensation from the United State Government for total, service-connected disability.

In addition, a qualifying veteran must:

- (1) Be a resident of Maine;
- (2) File an application with the assessor of the municipality in which the veteran resides; and
- (3) Meet one of the following:
  - a. Be at least 62 years old by April 1 of the year for which exemption is requested;
  - b. Receive a pension or compensation from the federal government for total disability, either service- or non-service-connected, as a veteran; or
  - c. Receive a pension or compensation from the federal government for total disability because of injury or disease incurred or aggravated during active military service in the line of duty.

## 2. **Exemption for a Qualifying Veteran**

- A. **In General.** Property owned by a qualifying veteran is exempt from municipal property tax for up to \$6,000 of just value, in the municipality where the veteran is a legal resident.

B. Paralegic Veteran. If a qualifying veteran is paraplegic, that veteran is eligible for an exemption from municipal property tax for up to \$50,000 of just valuation for a specially adapted housing unit in the municipality where the veteran is a legal resident. To qualify for this larger exemption, the veteran must be a paraplegic veteran, within the meaning of 38 United States Code, Chapter 21, section 2101, and have received a grant from the Department of Veterans Affairs for specially adapted housing.

3. Exemption for a Qualifying Spouse

A. In General. Property owned by a qualifying spouse is exempt from municipal property tax for up to \$6,000 of just value in the municipality where the qualifying spouse is a legal resident. The exemption increases to \$7,000 for the qualifying spouse of a deceased veteran who served during World War I.

B. Qualifying Spouse of a Paraplegic Veteran. If an individual is the qualifying spouse of a paraplegic veteran, that qualifying spouse is eligible for an exemption from municipal property tax for up to \$50,000 of just value in the municipality where the qualifying spouse is a legal resident. To qualify for the larger exemption, the spouse must, except for the requirement under Section 1(H)(4) above, meet the requirements of a qualifying spouse and be the widow or widower of a paraplegic veteran within the meaning of 38 United States Code, Chapter 21, section 2101, who received a grant from the Department of Veterans Affairs for specially adapted housing.

4. Exemption for a Qualifying Child

Property owned by a qualifying child of a deceased veteran is exempt from municipal property tax for up to \$6,000 of just value in the municipality where the child is a legal resident.

5. Exemption for a Qualifying Parent

Property owned by a qualifying parent of a deceased veteran is exempt from municipal property tax for up to \$6,000 of just value in the municipality where the parent is a legal resident.

6. Exemption for a Cooperative Housing Corporation

A cooperative housing corporation is entitled to an exemption against the value of property of the corporation occupied by qualifying shareholders. A qualifying shareholder must file an application with the cooperative housing corporation and the corporation must file an application with the assessor of the municipality on behalf of all qualifying shareholders. The corporation's application for exemption must include a list of all qualifying shareholders, any information required by the municipality to verify eligibility of qualifying shareholders and the applicable exemption amount. Notwithstanding the application process in Section 7, a cooperative housing corporation must update its application annually to reflect changes in eligibility. The exemption is equal to the total amount that the qualifying shareholders would have claimed if they were owners of the property, up to \$7,000 for each qualifying shareholder (\$50,000 if qualified under § 653(1)(D-1)).

A cooperative housing corporation that receives an exemption pursuant to this section must apportion the property tax reduction resulting from the exemption among the qualifying shareholders according to the proportion of the total exemption that each qualifying shareholder would be entitled to if the qualifying shareholder were the owner of property. Any supplemental assessment resulting from disqualification for exemption must be applied in the same manner against the qualifying shareholders for whom the disqualification applies.

## 7. Application

An applicant for the veteran exemption must file an application with the assessor of the municipality in which the applicant resides. The applicant must furnish proof of entitlement for the exemption by April 1 of the year the applicant first requests an exemption. Once the veteran or other qualifying individual receives an exemption, an annual application for exemption is not necessary, unless specifically requested by the assessor.

Another person, such as a parent or guardian, may make a claim on behalf of a qualifying child.

A municipal assessor may make an abatement of taxes, on written application within one year of commitment, if a qualifying spouse or a qualifying child has not made a claim by the April 1 deadline, provided the related veteran died during the 12-month period preceding April 1 for which the tax was committed. 36 M.R.S. § 841(4).

An application for the veteran exemption, including proof of entitlement, is confidential and will not be available to the public. 36 M.R.S. § 653(1)(G).

## 8. Proof of Entitlement

The following items are generally sufficient proof of entitlement:

- A. A copy of the applicant's birth certificate if the claim is based on age.
- B. A copy of the veteran's Report of Separation (usually DD Form 214, Certificate of Release, or Discharge from Active Duty).
- C. A copy of the certificate or letter from the Department of Veterans Affairs or other federal agency stating that the applicant receives compensation or a pension from the federal government as a veteran or widow/widower of a veteran. For explanation of the certificate furnished by the Department of Veterans Affairs (formerly VA Form 20-5455 or 20-5455a), see Section 9 below. If this certificate or letter is not available, the applicant may provide other proof of payment for total disability or service-connected disability.
- D. A copy of a letter from the appropriate federal agency stating that a qualifying spouse, qualifying child or qualifying parent receives a pension from the federal government based on the death of a veteran.
- E. A copy of the letter from the Department of Veterans Affairs or other federal agency verifying the paraplegic veteran applicant received a grant from the federal government for specially

adapted housing.

In certain cases, the assessor may ask for additional documentation.

9. Department of Veterans Affairs (“VA”) Statement from Benefit Payment Records

A. Explanation of Codes.

Assessors should be concerned with the code number used by the VA. The code number will be either 1, 2 or 3.

**Code #1** indicates that the veteran receives compensation for a 10% to 90% service-connected disability. The veteran in this case is **not** entitled to tax exemption because of disability.

**Code #2** indicates that the veteran (or qualifying spouse) receives compensation for total service-connected disability. The veteran in this case meets the service-related pension or compensation requirement.

**Code #3** indicates that the veteran (or qualifying spouse) receives a non-service-connected pension due to total disability. The veteran in this case meets the non-service-connected pension or compensation requirement.

Questions about the coding on this form may be answered by contacting:

**U.S. Department of Veterans Affairs  
Togus Regional Benefit Office  
Attn: Jaime Robichaud  
1 VA Center  
Augusta, Maine 04330  
(207) 623-8411 ext. 5228  
jaime.robichaud@va.gov**

10. Amount of Exempt Value

In determining the municipal value of the exemption, the assessor must multiply the total amount of the allowable exemption by the declared ratio as entered on the assessor's annual municipal valuation return. In some cases, where a municipality's declared ratio is higher or lower than 100%, the municipal value of an exemption may be higher or lower than the limits stated above.

When a qualifying veteran dies without a will and leaves property, and a surviving spouse and a minor child or children, the spouse and minor children are jointly entitled to only a single exemption of up to the appropriate exemption amount, but no more than the just value of property.

11. Exemption Limitations

An individual is not entitled to a benefit under more than one of the exemptions covered in this bulletin.

Exemptions apply only to property, or the interest in property, taxable in the place of the applicant's legal residence. Property must be owned by an applicant, by an applicant and the applicant's spouse in joint tenancy, or held in a revocable living trust for the benefit of the applicant.

Property conveyed to another person to obtain a veteran exemption will not qualify for a veteran exemption, unless the property is conveyed between husband and wife.

A person who fraudulently obtains a veteran exemption under 36 M.R.S. § 653 will be subject to a fine of up to \$100 or twice the amount of taxes evaded, whichever is greater.

NOTE: This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. If further information is needed, contact the Property Tax Division of Maine Revenue Services.

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**APPLICATION FOR VETERAN PROPERTY TAX EXEMPTION  
FOR WIDOWED SPOUSE, MINOR CHILD, OR WIDOWED PARENT  
36 M.R.S. § 653**

*Please refer to Bulletin #7 for additional information – this application is confidential.*

File this application, including all required attachments, with your municipality by April 1.

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**Information Relating to the Applicant Spouse, Child or Parent**

1. Name: \_\_\_\_\_ 2. Telephone: \_\_\_\_\_  
3. Mailing address: \_\_\_\_\_  
4. Legal residence: \_\_\_\_\_ 5. Date of birth: \_\_\_\_\_  
6. Check the applicable boxes:
- I receive compensation from the U.S. Government as the unremarried widowed spouse, the minor child, or unremarried widowed parent of a veteran.
- Relationship to veteran:  Widow  Widower  Minor Child  Widowed Father  Widowed Mother.
- I am the beneficiary of a revocable living trust that held the property for which I claim exemption.

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**Information Relating to the Deceased Veteran**

7. Name of veteran: \_\_\_\_\_ 8. Date of birth \_\_\_\_\_  
9. Date of entry into armed forces: \_\_\_\_\_ 10. Date of discharge/retirement: \_\_\_\_\_  
11. Legal residence as of date on line 9: \_\_\_\_\_  
12. Service Number/SSN: \_\_\_\_\_ 13. Date of death: \_\_\_\_\_  
14. VA disability pension claim No: C- \_\_\_\_\_  
15. Check the applicable boxes:
- The veteran's death was service connected.
- The veteran, as of the date on line 14, received compensation based on 100% Disability.
- The veteran received a grant from the U.S. Government for specially adapted housing as a paraplegic.

*I hereby apply for exemption from local property taxation in accordance with 36 M.R.S. § 653. No property on which exemption may be claimed under this section has been conveyed to me for the purpose of obtaining an exemption. The answers to the above questions are correct to the best of my knowledge and belief.*

Signature of applicant: \_\_\_\_\_ Date: \_\_\_\_\_

**CERTIFICATE OF APPROVAL OF APPLICANT'S EXEMPT STATUS  
(Assessor's Use Only)**

Written proof of entitlement accompanied this application, showing that the applicant is entitled to exemption from property tax as the widowed spouse, minor child, or widowed parent of a veteran. Proof of entitlement is covered by, but not limited to: DD214 Military Record, V.A. Form 20-5455a when Item 15 Tax Code indicates Code 2 or 3 or a copy of the certificate or letter issued by the V.A.

The applicant qualifies for:

- \$6,000 post W.W.I veteran exemption
- \$7,000 W.W.I veteran exemption
- \$50,000 paraplegic veteran

*As assessor I shall multiply the amount of the exemption by the ratio of current just value upon which the assessment is based in determining the local assessed value of the exemption.*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Effective date of exemption: \_\_\_\_\_