

New School Tax  
Veterans' Exemption:  
Estimate of  
Maximum Impact  
to Non-Veterans  
for the Homer CSD

On December 18, 2013, Governor Cuomo signed into law as Chapter 518 the opportunity for school districts to provide an exemption for Wartime, Combat, and Disabled Veterans from a portion of school taxes.

It was a modification of Real Property Tax Law 458-a. The veterans who are qualified to receive the exemption are noted here:

<http://www.tax.ny.gov/pit/property/exemption/altvetexempt.htm>

Essentially, if a soldier served during wartime in World War II, Korea, or Vietnam or served from 1990 until now, they qualify for this exemption (if offered by the school district). The determination of eligibility is made by the town assessor. There are currently 527 Veterans enrolled in the Homer CSD Taxable Zone.

This law does not provide any funding to offset the impact unlike the STAR exemption. This means that the non-veteran property taxpayers will have to fund the cost of the veterans' exemption. To help understand the extent of this shift, Jim Southard and I created a summary of the properties involved and the estimated maximum impact of the exemption.

The school board has to make an affirmative action (majority vote of the board) to put the exemption in place after a public hearing. If you choose any exemption level except the basic three (3) levels (the three (3) are denoted as \$6K/\$4K/\$20K or \$9K/\$6K/\$30K or \$12K/\$8K/\$40K), we must have a public hearing to put one of the basic levels in place and a second hearing to put one of the higher levels into place.

The wartime exemption is 15% of the true value up to the maximum. The combat exemption is 10% of the true value up to the maximum. The disabled exemption is half of the declared disability percentage of the true value up to the maximum. The three (3) exemptions stack to provide up to 75% exemption for a 100% disabled wartime combat veteran.

The effect of the exemption was difficult to estimate since the district covers four (4) different counties and more towns. Each town and county has differing levels of exemption and the data is not uniform across the areas. Another complicating factor is that the veteran must fill out a new form by March 1<sup>st</sup> of a year to receive the exemption for the upcoming school year.

To approximate the maximum impact of the exemption, information from the various towns on current veterans' exemptions has been entered into a spreadsheet. Taking this data, a summary sheet has been created to estimate the impact on the average home (\$100,000 true value with STAR).

The table below summarizes the estimated impact on non-veterans if the exemption is put in place at all of the allowable levels.

Maximum Exemption Level (Wartime/Combat/Disabled)	Direct Tax Maximum Impact	STAR Maximum Impact	Total Estimated Maximum Impact
\$6K/\$4K/\$20K	\$ 8.58	\$1.30	\$ 9.88
\$9K/\$6K/\$30K	\$12.55	\$2.07	\$14.62
\$12K/\$8K/\$40K	\$16.27	\$2.84	\$19.11
\$15K/\$10K/\$50K	\$19.44	\$3.47	\$22.91
\$18K/\$12K/\$60K	\$21.86	\$3.80	\$25.66
\$21K/\$14K/\$70K	\$23.62	\$4.03	\$27.65
\$24K/\$16K/\$80K	\$24.95	\$4.22	\$29.17
\$27K/\$18K/\$90K	\$25.91	\$4.24	\$30.15
\$30K/\$20K/\$100K	\$26.59	\$4.24	\$30.83
\$33K/\$22K/\$110K	\$26.99	\$4.24	\$31.23
\$36K/\$24K/\$120K	\$27.23	\$4.24	\$31.47