



## Issue

The issue for decision is whether Petitioner is eligible for a special property tax benefit under Idaho Code section 63-705A.

## Law and Analysis

Idaho Code section 63-705A reads as follows:

**63-705A.SPECIAL PROPERTY TAX REDUCTION FOR DISABLED VETERANS.** (1) For tax year 2019 and thereafter, regardless of any reduction received under section 63-705, Idaho Code, **a veteran with a service-connected disability of one hundred percent (100%)** shall receive a special reduction in property taxes levied on his homestead, as defined in section 63-701, Idaho Code. The special property tax reduction shall be in the amount of one thousand three hundred twenty dollars (\$1,320) or for the amount of the veteran's actual property taxes, whichever is less. If a veteran qualifies for property tax reduction under both this section and section 63-705, Idaho Code, the combined property tax reduction amount may not exceed the actual amount of the veteran's property taxes on his homestead.

(2) An applicant for a special property tax reduction under this section shall comply with all procedural requirements set forth in sections 63-701 through 63-710, Idaho Code, with the exception of any income documentation.

(3) In the event that a qualified veteran applies for the special property tax reduction in this section but then dies, the veteran's surviving spouse is entitled to receive the special property tax reduction in that year and subsequent years, until such time as the surviving spouse remarries, dies, or no longer has property tax levied on the homestead. (Emphasis added)

The code sets out specific eligibility requirements for persons seeking a special property tax reduction benefit, the applicant must be a 100% service-connected disabled veteran. For the Tax Commission's consideration Petitioner included with his application, two letters from the Department of Veterans Affairs. The first letter states, "[REDACTED] is rated at 80% service-connected disabled." The second, "[REDACTED] receives service-connected disability compensation at the 100% rate."

The term "service-connected" means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service. *See* 38 U.S. Code § 101.

Total disability ratings for compensation may be assigned when the disabled person is unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities. *See* 38 CFR § 4.16.

An individual who can't work because of a disability related to their service in the military, a service-connected disability, is called "individual unemployability." This means the individual may be able to receive disability compensation at the same level as a veteran who has a 100% disability rating.

In the present matter, Petitioner is not arguing that he is a veteran with a 100% service-connected disability but rather requests assistance to address the shortcomings of the disabled veterans property tax benefit program. "There are many Veterans in Idaho in the same situation as I am. Shut out of needed help due to bureaucratic wording and shortsightedness."

Petitioner states, as it stands now, veterans such as himself, rated at less than 100% service-connected disabled and compensated at the 100% rate due to their inability to work, do not qualify for the program. On the other hand, Petitioner points out, some veterans rated 100% service-connected disabled can work and in addition qualify for special property tax reduction benefit.

Petitioner is not wrong in his interpretation, or the Tax Commission's implementation, of Idaho Code section 63-705A. However, Tax Commission must follow the law as written. If the law is socially or economically unsound, the power to correct it is legislative, not within the powers of the Tax Commission. *John Hancock Mutual Life Insurance Co. v. Neill*, 79 Idaho 385, 319 P.2d 195 (1957).

### **Conclusion**

Idaho Code section 63-705A clearly defines the eligibility requirements for the special property tax reduction benefit. In this case, Petitioner is not a veteran with a 100% service-

connected disability. He does not meet the status requirement for a Veterans Property Tax Benefit. Therefore, the Intent to Deny Veterans Property Tax Benefit letter dated October 15, 2019, is hereby APPROVED and MADE FINAL.

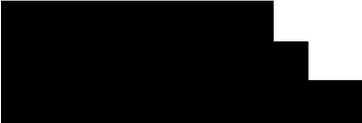
An explanation of Petitioner's right to appeal this decision is enclosed.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

IDAHO STATE TAX COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that on this \_\_\_\_\_ day of \_\_\_\_\_ 2020,  
a copy of the within and foregoing DECISION was served by sending the same by United States  
mail, postage prepaid, in an envelope addressed to:



Receipt No.

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