

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. To support his status as a veteran with a 100% service-connected disability, Petitioner included with his application, a letter from the Department of Veterans Affairs. The letter states, “We are providing this letter to disabled Veterans to use in applying for benefits such as state or local property or vehicle tax relief.....” Among other information, the letter shows Petitioner’s service-connected disability rating as 80% and he receives compensation at the 100% rate because he is unemployable due to his service-connected disabilities.

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 a veteran with an 80% service-connected disability, individually unemployable, receiving benefits at the 100% rate. Petitioner receives disability compensation at the same level as a veteran with a 100% service-connected disability, but he is not a veteran with a 100% service-connected disability.

Conclusion

Idaho Code section 63-705A clearly defines the eligibility requirements for the special property tax reduction benefit. The law must be followed 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).

Petitioner is not a veteran with a 100% service-connected disability. He does not meet the status requirement for a Veteran's Property Tax Benefit. However, as mentioned previously, Petitioner also applied for a PTR benefit. He is eligible to receive a benefit of \$790 under this program. Therefore, the Intent to Change Property Tax Reduction Benefit letter dated September 13, 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.
