

## ***Resolution Urging Expansion of the Disabled Veteran Property Tax Exemption Based on Percentage of Service-Connected Disability***

**WHEREAS** under current North Carolina law (G.S. 105-277.1C), a North Carolina veteran who has a permanent and service-connected disability rated at 100 percent by the U.S. Department of Veterans Affairs or who receives benefits for specially adapted housing is eligible for a property tax exclusion on the first forty-five thousand dollars (\$45,000) of the appraised value of his or her permanent residence; and

**WHEREAS** this exemption applies to a veteran of any branch of service with a discharge under honorable or under honorable conditions; and

**WHEREAS** many North Carolina veterans have a service-connected disability rated at less than 100 percent and also deserve meaningful property tax relief that reflects their service and the impact of their disabilities; and

**WHEREAS** disabled veterans often live on fixed incomes made up of VA disability compensation, Social Security, and modest earnings, and research shows that veterans receiving VA disability benefits have, on average, significantly lower annual earnings than veterans without disabilities;

**WHEREAS** housing costs and property taxes have risen faster than cost-of-living adjustments to federal benefits, and North Carolina's own housing finance agency has reported that more than half of low-income households with disabilities, veterans, and seniors experience "cost burden," meaning they pay more than 30 percent of their income toward housing costs, including property taxes;

**WHEREAS** disabled veterans may face higher out-of-pocket medical expenses, transportation costs to VA facilities, and barriers to full-time employment, all of which make it more difficult to remain stably housed and to avoid delinquent property taxes and tax foreclosures;

**WHEREAS** multiple states have already recognized these hardships and adopted property tax exemptions or discounts for veterans with service-connected disabilities rated below 100 percent, often scaled to the veteran's disability rating, including but not limited to:

- **Florida**, where honorably discharged veterans with at least a 10 percent service-connected disability are entitled to a \$5,000 reduction in the assessed value of their homesteaded property, and certain older veterans with combat-related disabilities receive a discount equal to their percentage of disability on their homestead taxes;

- **Texas**, where Tax Code § 11.22 grants disabled veterans tiered property tax exemptions based on VA disability rating, starting at a \$5,000 exemption for a 10–29 percent rating, increasing up to \$12,000 for ratings of 70 percent or more;
- **Alaska**, where a veteran with a 50 percent or higher service-connected disability rating is exempt from property taxes on the first \$150,000 of the assessed value of their primary residence, with eligibility extending to certain surviving spouses;
- **Louisiana**, where a 2022 constitutional amendment expanded property tax exemptions so that veterans with a 50–69 percent service-connected disability receive an additional \$2,500 of exempt assessed value, and those with 70–99 percent receive an additional \$4,500, on top of the standard homestead exemption;
- **Massachusetts**, where veterans with at least a 10 percent service-connected disability are eligible for property tax exemptions under Massachusetts General Laws chapter 59, section 5, with the exemption amount increasing as disability severity and qualifying conditions increase;

**WHEREAS** these state models demonstrate workable approaches to scaling property tax relief to a veteran’s disability rating, helping disabled veterans remain in their homes and communities while recognizing the real financial costs of their service-connected conditions; and

**THEREFORE BE IT RESOLVED** that The North Carolina Democratic Party, respectfully petitions the North Carolina General Assembly to adopt legislation expanding the Disabled Veteran Property Tax Homestead Exclusion so that property tax relief is granted on a sliding scale based on a veteran’s service-connected disability rating, rather than limiting the full exclusion only to veterans rated at 100 percent; and

**BE IT FURTHER RESOLVED** that such legislation should:

1. Maintain at least the current level of protection for veterans rated at 100 percent or receiving specially adapted housing benefits;
2. Establish proportional exclusions from property tax on a qualifying veteran’s primary residence for veterans with service-connected disabilities rated below 100 percent (for example, by exempting a percentage of value or a fixed dollar amount tied to each rating range, as done in other states); and
3. Extend appropriate protection to qualifying surviving spouses so long as they remain unmarried and occupy the home as their primary residence;

**BE IT FINALLY RESOLVED** that The North Carolina Democratic Party, urges the North Carolina General Assembly to study best practices from other states, to consult with veterans' service organizations, and to enact legislation that ensures all North Carolina veterans with service-connected disabilities receive fair and meaningful property tax relief in recognition of their sacrifices.

Passed 21 March 2026

Burke County Democratic Party Convention

Pamela Genant, Chairman