

Alternative Veterans' Tax Exemption

June 7, 2017

What is the Alternative Veterans' Tax Exemption?

- First enacted in 1984 for municipalities
- Permits a portion of an eligible veteran's property to be exempt from real property taxes
- Amended in 2013 to extend the exemption to school districts.
- Eligibility and level of exemptions (wartime, combat zone and disability) are prescribed by statute.

How Does it Work?

- A tax exemption reduces a portion of the eligible property's assessed value prior to calculating the tax bill, resulting in a lower assessment and tax bill:
- Without Exemptions:
 - $\text{Property Assessment} * \text{Tax Rate} = \text{Tax Bill}$
- With Exemptions:
 - $(\text{Property Assessment} - \text{Exemption}) * \text{Tax Rate} = \text{Tax Bill}$

How is it Paid for?

- It is paid for at the local level by non-eligible property owners.
- Tax exemptions do not change the district's Tax Levy (the total amount of taxes raised)
 - The difference in revenue from the exempted properties (lower tax base) is raised by increasing the tax rate across the district to generate the same levy amount from lower assessed values.
- There is no state reimbursement for this program (STAR)

Exemption Levels:

- The Board will consider 3 Exemption Levels:

	Wartime	Combat Zone	Disability
Minimum Level	\$6000	\$10,000	\$20,000
Basic Level	\$12,000	\$20,000	\$40,000
Increased Maximum Level	\$36,000	\$60,000	\$120,000

Approximate Impact on the Average Home in Each Town Based on 2016-2017 Data

	\$ Total Property Exemptions:	\$ Total Redistributed Levy:	\$ Impact on Average Home: Malta	\$ Impact on Average Home: Milton	\$ Impact on Average Home: Ballston	\$ Impact on Average Home: Charlton
Minimum Level:	\$9,800,000	(\$181,500)	+\$18.21	+\$13.27	+\$13.65	+16.73
Basic Level:	\$18,315,000	(\$340,000)	+\$34.09	+\$24.84	+\$25.55	+\$31.32
Increased Maximum Level:	\$41,474,000	(\$769,000)	+\$77.12	+\$56.18	+\$57.80	+\$70.83

Next Steps:

- Community Survey
- Schedule Public Hearing for the Fall
- Decide whether or not to proceed
- If decision is made to move forward, will be in place for FY 2019 (Spring 2018)

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