

HB 552 -- DISABLED VETERANS HOMESTEAD PROPERTY TAX EXEMPTION

SPONSOR: Jobe

This bill establishes the "Missouri Disabled Veterans Homestead Exemption" which provides a tiered property tax exemption system for veterans with disabilities. The exemptions are based on a disability percentage, certified by the United States Department of Veterans Affairs. For tax years beginning on or after January 1, 2026, an annual exemption will be given for a property that is used as a qualified residence owned by a veteran with a disability, limited to the amounts as follows:

(1) For veterans with service-connected disability of 50% or more but less than 70%, the annual exemption is \$2,500;

(2) For veterans with a service-connected disability of 70% or more but less than 100%, the annual exemption is \$5,000;

(3) For veterans with service-connected disability of 100%, the annual exemption is equal to 100% of the tax assessed on the qualified residence; and

(4) For a taxpayer who is the surviving spouse of a veteran whose death was determined to be service-connected and who is certified by the United States Department of Veterans Affairs as a recipient of dependency and indemnity compensation under Federal law, the annual exemption is equal to 100% of the tax assessed on the qualified residence.

If a surviving spouse of a veteran sells the qualified residence, an amount may be transferred to his or her new residence as long as it is used as his or her primary residence and he or she does not remarry. No exemption will be allowed for the tax year in which the surviving spouse remarries.

The bill requires each taxpayer that is granted the exemption to reapply on an annual basis unless the veteran has a services-connected disability rating of 100% and is deemed permanently and totally disabled, as specified in the bill.

The provisions of this bill will sunset six years after the effective date.

This bill is similar to HB 1419(2024) and HB 593(2023).