

HB 2535 -- VETERAN AND GOLD STAR PROPERTY TAX RELIEF ACT

SPONSOR: Mayhew

This bill establishes the "Veterans and Gold Star Family Property Tax Relief Act".

The bill creates an annual exemption from the property taxes levied on the qualified residence of a disabled veteran, Purple Heart recipient, or Gold Star spouse. A Gold Star spouse is the surviving, unmarried spouse of a veteran who was killed in action, who died from wounds received in combat while serving on active duty, or who died as a result of diseases related to a presumed toxic exposure or injury due to a presumed toxic exposure while serving on active duty, and who is certified by the United States Department of Veterans Affairs as a recipient of dependency and indemnity compensation under Federal law.

The exemption is limited to amounts based on disability rating as follows:

(1) For disabled veterans with a disability rating of 30% percent or more but less than 50% percent, the annual exemption will be \$3,000 for a disability rating of 30% and the amount will be increased in proportion to the percentage of the disabled veteran's disability rating for disabled veterans with a disability rating of more than 30% but less than 50%, not to exceed \$5,000;

(2) For disabled veterans with a disability rating of 50% percent or more but less than 70% percent or Purple Heart recipients, the annual exemption will be \$5,000 for a disability rating of 50% and the amount will be increased in proportion to the percentage of the disabled veteran's disability rating for disabled veterans with a disability rating of more than 50% but less than 70%, not to exceed \$10,000; and

(3) For disabled veterans with a disability rating of 70% or more or Gold Star spouses, the annual exemption is equal to 100% of the property tax levied on the qualified residence.

The exemption carries over to the benefit of the disabled veteran's or Purple Heart recipient's surviving spouse as long as the spouse holds the legal or beneficial title to the qualified residence, permanently resides therein, and does not remarry.

The bill creates the "Veterans Property Tax Relief Fund" which will be used to reimburse counties or cities not within a county for verified property tax revenue lost as a result of the tax exemption. Additionally, the Missouri Veterans' Commission can retain an amount not to exceed 1% to offset the costs of administration of the tax exemption.

The bill creates new taxes on alternative nicotine products, hemp products, vapor products, tobacco products other than cigarettes, and tobacco paraphernalia. The tax will be 10% of the distributor's invoice price, before discounts and deals, with the money going to the Veterans' Property Tax Relief Fund.

This bill also raises taxes on cigarettes to five mills per cigarette with the money going to the Veterans' Property Tax Relief Fund.