

**Disabled Veterans Homestead Exemption Act of 2017,
Bill 22-121**

Before the Committee on Finance and Revenue

The Honorable Jack Evans, Chairman

**November 14, 2018, 10:00 AM
Room 412, John A. Wilson Building**



**Testimony of
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Good morning Chairman Evans and members of the Committee on Finance and Revenue. My name is Bazil Facchina, Assistant General Counsel for the Office of Tax and Revenue. I am pleased to present testimony on Bill 22-121, the “Disabled Veterans Homestead Exemption of 2017.”

In general, the Bill would amend the law governing real property taxation to provide a \$500,000 homestead deduction for residential property which otherwise qualifies for the homestead deduction and is owned by a veteran. This figure is not subject to an annual cost-of-living adjustment. In general, the homestead deduction reduces the assessed value of owner-occupied residential property, thereby reducing the real property tax due on the property. The Bill provides that, to receive this deduction, the veteran’s household must meet the income test required to qualify for the senior or disabled homeowner tax reduction. Property receiving this veterans’ homestead deduction will not be subject to the cap on the increase in the assessed value of the property from year to year, limiting the increase in the tax on the property. To qualify for the veterans homestead deduction, the veteran is to file an application with the District of Columbia Office of Veterans Affairs stating that veteran has been classified by the Department of Veterans Affairs as having a total and permanent disability as a result of a service incurred or aggravated condition, or is paid at the 100% disability rating level as

the result of unemployability. The Office of Veterans Affairs will certify the property qualifying for the deduction to the Office of Tax and Revenue.

Certain additional amendments to the Bill are necessary in order to facilitate administration of the increased homestead deduction amount. The initial implementation of this benefit change needs to be effective at the beginning of a tax year, so that the deduction amount can be applied equally to first and second half real property tax bills. Because of billing system constraints, the deduction should not be effective prior to October 1, 2019. The Bill is not clear on whether property receiving this veterans' homestead deduction is subject to the requirement that the assessed value for taxation purposes be at least 40% of what the assessed value would be in the absence of the veterans homestead deduction. The Bill as drafted does not extend the veterans homestead benefit to cooperatives.

We would be pleased to work with the Council to resolve these or other issues affecting the administrability of the Bill.

Thank you, Chairman Evans, for the opportunity to comment on this Bill. I would be happy to answer any questions at this time.