

OFFICE OF FISCAL ANALYSIS

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sSB-1276

AN ACT CONCERNING A PROPERTY TAX EXEMPTION FOR
VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED
BASED ON A DISABILITY RATING OF ONE HUNDRED PER CENT
AND A PROPERTY TAX EXEMPTION FOR GOLD STAR SPOUSES.

As Amended by Senate "A" (LCO 9768)

House Calendar No.: 661

Senate Calendar No.: 69

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 26 \$	FY 27 \$
All Municipalities	Grand List Reduction/Increase	See Below	See Below
All Municipalities	Potential Grand List Reduction	See Below	See Below

Explanation

Section 1 of the bill results in a grand list reduction for municipalities by expanding the property tax exemption described above to include mobile manufactured homes, as well as extending the exemption to qualifying veterans and spouses that are liable for property taxes as renters.

The section results in a grand list increase to the extent that property used for commercial purposes or from which rental income is derived will now be excluded from the property tax exemption.

The section also creates municipal options that result in potential grand list reductions for municipalities. Municipalities can vote to

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exempt up to two acres of property from property taxes for qualifying veterans and their spouses. Municipalities can also vote to extend a property tax exemption to the spouses of qualifying veterans who died prior to October 1, 2024.

The section creates a municipal option that allows municipalities to limit the fiscal impact of the exemptions described in subdivision (83) of section 12-81 of the general statutes. Municipalities can vote to limit the total amount of property exempted from property taxes to the median assessed valuation of residential real property in such municipality. This may limit the impact of any grand list reduction associated with the exemption.

Section 8 creates a municipal option that results in a potential grand list reduction for municipalities. Municipalities can vote to exempt veterans with a service-connected total disability based on individual unemployability (TDIU) and their spouses from property taxes.

In municipalities that have voted to exempt up to two acres of property or the spouses of qualifying veterans who died prior to October 1, 2024 from property taxes as described in Section 1, TDIU veterans and their spouses will also be eligible for said municipal options.

TDIU veterans and their spouses will also be subject to the benefit cap described in Section 1 in municipalities that have voted to adopt said municipal option.

Section 9 creates a municipal option that results in a potential grand list reduction for municipalities. Municipalities can vote to exempt the surviving spouse of a person who was killed in action while performing active military duty from property taxes.

In municipalities that have voted to exempt up to two acres of property from property taxes, spouses that qualify under this section will also be eligible for such an exemption.

These spouses will also be subject to the benefit cap described in

Section 1 in municipalities that have voted to adopt said municipal option.

The bill also includes technical and conforming changes that do not have a fiscal impact.

There is no fiscal impact to municipalities that do not choose to implement the municipal options described in the bill.

Senate amendment “A” struck the underlying bill and its associated impact entirely. The amendment expanding the property tax exemption described in subdivision (83) of section 12-81 of the general statutes. It also created a variety of municipal options that municipalities may implement to eliminate property taxes for certain qualifying veterans or the spouses of veterans, as well as a municipal option that allows municipalities to cap the benefit provided by the exemptions.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of municipalities that implement the municipal options, the number of qualifying veterans and spouses, and inflation.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.