

Veterans Property Tax Exemptions by Town: State-Mandated Exemptions

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Issue

What property tax exemptions must towns give veterans? For these exemptions, what amount does each town provide (adjusted for any “increase factor” under [CGS § 12-62g](#))? This report updates OLR Report [2024-R-0004](#).

Summary

By law, municipalities (i.e. towns) must provide property tax exemptions (commonly referred to as “state-mandated exemptions”) to four categories of veterans, specifically those who:

1. have a 100% Permanent and Total (P&T) disability rating ([CGS § 12-81\(83\)](#)),
2. served during specified wartime periods or actions ([CGS § 12-81\(19\)](#)),
3. retired from service after 30 years ([CGS § 12-81\(19\)](#)), or
4. have qualifying disabilities ([CGS § 12-81\(20\) & \(21\)](#)).

The law sets the exemption amount for each category of qualifying veteran, but generally requires towns to increase these amounts if a revaluation results in a grand list increase of a certain amount (see Increase Factors below) ([CGS § 12-62g](#)). Additionally, veterans may usually only receive one veteran-related property tax exemption (e.g., a veteran could not claim both the disabled veteran exemption and the 100% P&T exemption) ([CGS § 12-90](#)).

Property Tax Exemptions

Exemptions are a reduction in a property’s taxable value; they are not credits against the total amount owed. For example, a \$5,000 exemption in a town with a mill rate of 30 (i.e. 3% tax rate) would result in a \$150 reduction in taxes owed.

With their legislative bodies' approval, towns may grant certain additional exemptions (commonly referred to as "municipal-option exemptions") to veterans, including those who do not qualify for the state-mandated exemptions.

Increase Factors

Towns must increase certain exemptions if, after performing a revaluation (generally occurring once every five years), their grand list increases by a certain amount. (A revaluation is the process used to periodically capture changes in real property values.) As a result of this requirement, the exemption amounts 126 towns (out of 169) must provide are higher than what is listed in state law.

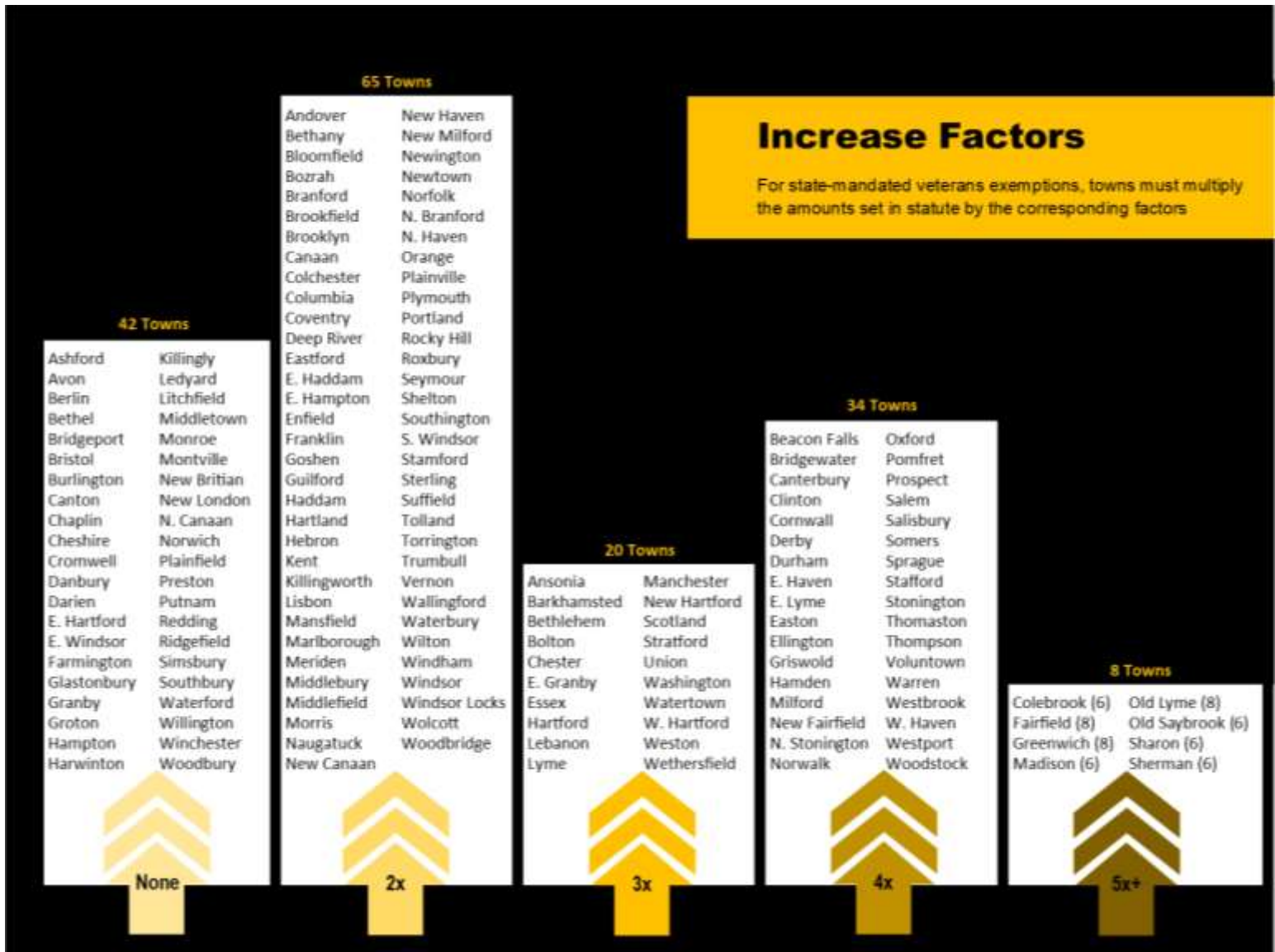
To determine whether a particular revaluation triggers this requirement, and the amount of any required increase, municipalities must calculate their "increase factor." The increase factor is calculated by:

1. dividing the municipality's net taxable grand list for that (post-revaluation) year by its net taxable grand list for the prior (pre-revaluation) year, and
2. rounding the result to the nearest whole number (as a result, only increase factors of 1.5 or higher trigger an increase in the exemption amounts).

The covered exemption amounts must be multiplied by this same factor ([CGS § 12-62g](#)). The increased exemption applies until the next triggering revaluation and is cumulative. This increase factor requirement also applies to (1) the mandatory exemptions for wartime veterans and veterans with disabilities, as described in this report and (2) a municipal-option exemption towns may provide to wartime veterans and veterans with disabilities, as well as certain surviving spouses ([CGS § 12-81f](#); OLR Report [2024-R-0018](#) provides additional information on towns that provide the municipal-option exemptions for veterans).

Chart 1 below shows the increase factor that each town must apply. Towns with no increase factor are only required to provide, at minimum, the amounts set in statute. Those with higher increase factors must provide corresponding exemption amounts.

Chart 1: Increase Factors Applied in Each Town



Source: OPM data, 2025

Veteran With 100% P&T Disability Rating

By law, towns must provide a property tax exemption to veterans who have a 100% P&T disability rating as determined by the U.S. Department of Veterans Affairs ([CGS § 12-81\(83\)](#)). The law fully exempts from property tax either (1) a dwelling the veteran owns and lives in as his or her primary residence or, (2) if the veteran does not own a dwelling, one motor vehicle he or she owns and keeps in this state.

Because this exemption fully covers either the dwelling or vehicle, the increase factors do not apply.

Wartime Veterans & 30-Year Retirees

By law, towns must provide a property tax exemption to veterans who (1) have qualifying wartime service or (2) retired from the U.S. Armed Forces after 30 years of service because they reached the law's prescribed age limit or suffered from a mental or physical disability ([CGS § 12-81\(19\)](#)).

For both types of veterans, this state-mandated exemption consists of two parts:

1. a "basic" exemption (set at \$1,000 in statute, but adjusted as described below) ([CGS § 12-81\(19\)](#)) plus
2. an income-based exemption equal to:
 - 50% of the basic exemption if the veteran's income exceeds an Office of Policy and Management (OPM)-adjusted income threshold or
 - 200% of the basic exemption if the veteran's income is at or below the threshold ([CGS § 12-81g\(a\) & \(d\)](#)).

Income Thresholds

For 2025, the income thresholds, set by OPM, are based on 2024 income and as follows:

- \$45,200 for individuals
- \$55,100 for married with joint income

Except, for those with a 100% disability rating, the thresholds established in statute are:

- \$18,000 for individuals
- \$21,000 for married with joint income ([CGS § 12-81g\(a\)](#))

Towns must increase the basic exemption amount after "triggering revaluations," as described above. This, in turn, also increases the income-based exemption amount as well. Table 1 below shows the total exemption amounts towns must provide, based on their increase factor (each town's increase factor is shown in [Chart 1](#) above).

Table 1: Wartime & Retiree Exemption Amounts, Adjusted by Increase Factor

Statutory “Basic” Exemption	Increase Factor ¹	Adjusted Basic Exemption	Total Exemption ² (adjusted basic + income-based)			
			<i>Income over threshold</i>	or	<i>Income under threshold</i>	
\$1,000	None	\$1,000	+	add'l 50% =	\$1,500	or add'l 200% = \$3,000
	x2	= \$2,000	+	add'l 50% =	\$3,000	or add'l 200% = \$6,000
	x3	= \$3,000	+	add'l 50% =	\$4,500	or add'l 200% = \$9,000
	x4	= \$4,000	+	add'l 50% =	\$6,000	or add'l 200% = \$12,000
	x6	= \$6,000	+	add'l 50% =	\$9,000	or add'l 200% = \$18,000
	x8	= \$8,000	+	add'l 50% =	\$12,000	or add'l 200% = \$24,000

¹As shown in Chart 1, no towns currently have an increase factor of x5 or x7; thus, those calculations have been omitted from this table

²Actual exemption amounts may be higher in some towns; [CGS § 12-81f](#) authorizes towns to provide an additional exemption amount up to \$20,000 or 10% of eligible properties' assessed value (see OLR Report [2024-R-0018](#))

Sources: OPM Data, [CGS § 12-81\(19\)](#) and [CGS § 12-81g](#)

Veterans With Disabilities

By law, towns must provide a property tax exemption to veterans (and service members) who (1) have a VA disability rating of 10% or more or (2) receive a pension, annuity, or compensation from the United States due to the service-related loss of their arm, leg, or equivalent (“federal compensation”) ([CGS § 12-81\(20\)](#)).

The state-mandated exemption for veterans with disabilities consists of:

1. an amount based on the veteran’s disability rating or federal compensation;
2. an additional severe service-related disability amount, if applicable (e.g., for loss of one or both arms or legs) ([CGS § 12-81\(21\)](#)); plus
3. an income-based exemption equal to either:
 - 50% of the base exemption (i.e. the disability rating or federal compensation-based amount plus the severe service-disability amount, if any) if the veteran’s income exceeds a set income threshold (see [Income Thresholds](#) above) or
 - twice the base exemption if the veteran’s income is at or below the threshold ([CGS § 12-81g\(a\) & \(d\)](#)).

As with exemption amounts for wartime veterans and 30-year retirees, towns must multiply the amounts set in statute by their revaluation-based increase factor (each town's increase factor is shown in [Chart 1](#) above). Tables 2 through 6 below show the amounts set in law for these exemptions and, for each increase factor, the adjusted exemption amounts towns must provide. For towns with no revaluation increase, the amounts are those set in statute.

We additionally provide an example for each increase factor, showing how it changes the exemption amount and total taxes owed for an unmarried veteran with a 100% disability rating and a severe service-related disability (loss of one arm).

No Increase Factor

An unmarried veteran with a 100% disability rating and a severe service-related disability (loss of one arm) with an income below \$18,000 (the applicable income threshold) who lives in a town with a mill rate of 30 and no increase factor would be entitled to a \$10,515 exemption. This results in a \$315.45 reduction in the property taxes the veteran owes.

(see next page)

Increase Factor of 2

For example, as shown in Table 2 below, a town with an increase factor of two would be required to provide a \$51,000 exemption to an unmarried veteran who lost one arm (i.e. a severe service-related disability) and has a 100% disability rating and an income below \$18,000 (see [Income Thresholds](#) above). In a town with a mill rate of 30, this would result in a \$1,530 reduction in the amount of taxes the veteran owes.

Table 2: Towns With an Increase Factor of 2 — Disability-Based Exemption Amounts

Basis for Eligibility		Statutory Base Amount	Adjusted Base Amount (x2)	Total Exemption (adjusted base amount + income-based amount)		
				Income over threshold (add'l 50%)		Income under threshold (add'l 200%)
Disability rating¹	10-25%	\$2,000	\$4,000	\$6,000	or	\$12,000
	26-50%	2,500	5,000	7,500	or	15,000
	51-75%	3,000	6,000	9,000	or	18,000
	76-100%	3,500	7,000	10,500	or	21,000
	at least 10% and 65 years old	3,500	7,000	10,500	or	21,000
Federal compensation¹		3,500	7,000	10,500	or	21,000
Plus the amount below, if applicable						
Severe service-related disability	Loss of one arm or leg	5,000	10,000	15,000	or	30,000
	Loss of both arms, legs, or feet or other listed disabilities	10,000	20,000	30,000	or	60,000

¹State law authorizes towns to provide additional amounts (see, e.g., [CGS §§ 12-81g\(a\) & \(b\)](#) and [12-81f\(b\)](#)); as a result, these amounts may be higher in some towns (see OLR Report [2024-R-0018](#))

Sources: [CGS §§ 12-62g, 12-81\(20\) & \(21\), 12-81g\(a\) & \(d\)](#)

Increase Factor of 3

For example, as shown in Table 3 below, a town with an increase factor of three would be required to provide a \$76,500 exemption to an unmarried veteran who lost one arm (i.e. a severe service-related disability) and has a 100% disability rating and an income below \$18,000 (see [Income Thresholds](#) above). In a town with a mill rate of 30, this would result in a \$2,295 reduction in the amount of taxes the veteran owes.

Table 3: Towns With an Increase Factor of 3 — Disability-Based Exemption Amounts

Basis for Eligibility		Statutory Base Amount	Adjusted Base Amount (x3)	Total Exemption (adjusted base amount + income- based amount)	
				Income over threshold (add'l 50%)	Income under threshold (add'l 200%)
Disability rating¹	10-25%	\$2,000	\$6,000	\$9,000	or \$18,000
	26-50%	2,500	7,500	11,250	or 22,500
	51-75%	3,000	9,000	13,500	or 27,000
	76-100%	3,500	10,500	15,750	or 31,500
	at least 10% and 65 years old	3,500	10,500	15,750	or 31,500
Federal compensation¹		3,500	10,500	15,750	or 31,500
Plus the amount below, if applicable					
Severe service- related disability	Loss of one arm or leg	5,000	15,000	22,500	or 45,000
	Loss of both arms, legs, or feet or other listed disabilities	10,000	30,000	45,000	or 90,000

¹State law authorizes towns to provide additional amounts (see, e.g., [CGS §§ 12-81g\(a\) & \(b\)](#) and [12-81f\(b\)](#)); as a result, these amounts may be higher in some towns (see OLR Report [2024-R-0018](#))

Increase Factor of 4

For example, as shown in Table 4 below, a town with an increase factor of four would be required to provide a \$102,000 exemption to an unmarried veteran who lost one arm (i.e. a severe service-related disability) and has a 100% disability rating and an income below \$18,000 (see [Income Thresholds](#) above). In a town with a mill rate of 30, this would result in a \$3,060 reduction in the amount of taxes the veteran owes.

Table 4: Towns With an Increase Factor of 4 — Disability-Based Exemption Amounts

Basis for Eligibility		Statutory Base Amount	Adjusted Base Amount (x4)	Total Exemption (adjusted base amount + income- based amount)	
				Income over threshold (add'l 50%)	Income under threshold (add'l 200%)
Disability rating¹	10-25%	\$2,000	\$8,000	\$12,000	or \$24,000
	26-50%	2,500	10,000	15,000	or 30,000
	51-75%	3,000	12,000	18,000	or 36,000
	76-100%	3,500	14,000	21,000	or 42,000
	at least 10% and 65 years old	3,500	14,000	21,000	or 42,000
Federal compensation¹		3,500	14,000	21,000	or 42,000
Plus the amount below, if applicable					
Severe service- related disability	Loss of one arm or leg	5,000	20,000	30,000	or 60,000
	Loss of both arms, legs, or feet or other listed disabilities	10,000	40,000	60,000	or 120,000

¹State law authorizes towns to provide additional amounts (see, e.g., [CGS §§ 12-81g\(a\) & \(b\)](#) and [12-81f\(b\)](#)); as a result, these amounts may be higher in some towns (see OLR Report [2024-R-0018](#))

Increase Factor of 6

For example, as shown in Table 5 below, a town with an increase factor of six would be required to provide a \$153,000 exemption to an unmarried veteran who lost one arm (i.e. a severe service-related disability) and has a 100% disability rating and an income below \$18,000 (see [Income Thresholds](#) above). In a town with a mill rate of 30, this would result in a \$4,590 reduction in the amount of taxes the veteran owes.

Table 5: Towns With an Increase Factor of 6 — Disability-Based Exemption Amounts

Basis for Eligibility		Statutory Base Amount	Adjusted Base Amount (x6)	Total Exemption (adjusted base amount + income- based amount)		
				Income over threshold (add'l 50%)		Income under threshold (add'l 200%)
Disability rating¹	10-25%	\$2,000	\$12,000	\$18,000	or	\$36,000
	26-50%	2,500	15,000	22,500	or	45,000
	51-75%	3,000	18,000	27,000	or	54,000
	76-100%	3,500	21,000	31,500	or	63,000
	at least 10% and 65 years old	3,500	21,000	31,500	or	63,000
Federal compensation¹		3,500	21,000	31,500	or	63,000
Plus the amount below, if applicable						
Severe service- related disability	Loss of one arm or leg	5,000	30,000	45,000	or	90,000
	Loss of both arms, legs, or feet or other listed disabilities	10,000	60,000	90,000	or	180,000

¹State law authorizes towns to provide additional amounts (see, e.g., [CGS §§ 12-81g\(a\) & \(b\)](#) and [12-81f\(b\)](#)); as a result, these amounts may be higher in some towns (see OLR Report [2024-R-0018](#))

Increase Factor of 8

For example, as shown in Table 6 below, a town with an increase factor of eight would be required to provide a \$204,000 exemption to an unmarried veteran who lost one arm (i.e. a severe service-related disability) and has a 100% disability rating and an income below \$18,000 (see [Income Thresholds](#) above). In a town with a mill rate of 30, this would result in a \$6,120 reduction in the amount of taxes the veteran owes.

Table 6: Towns With an Increase Factor of 8 — Disability-Based Exemption Amounts

Basis for Eligibility		Statutory Base Amount	Adjusted Base Amount (x8)	Total Exemption (adjusted base amount + income- based amount)		
				Income over threshold (add'l 50%)		Income under threshold (add'l 200%)
Disability rating¹	10-25%	\$2,000	\$16,000	\$24,000	or	\$48,000
	26-50%	2,500	20,000	30,000	or	60,000
	51-75%	3,000	24,000	36,000	or	72,000
	76-100%	3,500	28,000	42,000	or	84,000
	at least 10% and 65 years old	3,500	28,000	42,000	or	84,000
Federal compensation¹		3,500	28,000	42,000	or	84,000
Plus the amount below, if applicable						
Severe service- related disability	Loss of one arm or leg	5,000	40,000	60,000	or	120,000
	Loss of both arms, legs, or feet or other listed disabilities	10,000	80,000	120,000	or	240,000

¹State law authorizes towns to provide additional amounts (see, e.g., [CGS §§ 12-81g\(a\) & \(b\)](#) and [12-81f\(b\)](#)); as a result, these amounts may be higher in some towns (see OLR Report [2024-R-0018](#))

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