



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1072

Bill Subtitle: TO CLARIFY THE REQUIREMENTS FOR ESTABLISHING ELIGIBILITY FOR THE PROPERTY TAX EXEMPTION FOR DISABLED VETERANS, SURVIVING SPOUSES, AND MINOR DEPENDENT CHILDREN.

Sponsors:

Rep. C. Cooper and Sen. M. Johnson

Basic Change:

A disabled veteran who has been awarded special monthly compensation by the Department of Veterans Affairs (VA) for the loss of, or the loss of use of, one or more limbs, for total blindness in one or both eyes, or for service-connected 100% total and permanent disability is exempt from payment of all state taxes on the homestead and personal property owned by the disabled veteran. Generally, the exemption is also available to the surviving spouse and minor dependent children of a deceased disabled veteran.

HB1072 limits how often a disabled veteran or surviving spouse must provide documentation establishing their eligibility for the exemption. Current law requires a disabled veteran or surviving spouse to provide a letter to the county collector from the VA establishing their eligibility for the exemption but does not limit how often that letter must be provided. HB1072 provides that the letter is only required to be submitted one time.

HB1072 is effective for assessment years beginning on or after January 1, 2025.

Fiscal Impact:

None.

Taxpayer Impact:

A person eligible for the exemption under § 26-3-306 would only be required to provide a letter from the VA demonstrating entitlement to the exemption to the county collector once and would not be required to resubmit the letter annually.

Resources Required:

The Assessment Coordination Division (ACD) will notify county collectors of this change.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

A county collector would not require an eligible person to annually present proof of the taxpayer's exemption.



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Other Comments:

None.

Legal Analysis:

None.