

# Property Tax Exemption for Veterans With a 100% P&T Disability Rating

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## Issue

Describe Connecticut's property tax exemption for veterans with a 100% Permanent and Total (P&T) disability rating. This report updates OLR Report [2024-R-0124](#).

### *Is this exemption mandatory?*

Yes, municipalities must provide this exemption to eligible applicants. It is not a municipal option exemption.

### *When did the exemption go into effect?*

The exemption went into effect October 1, 2024, and is applicable to assessment years starting on or after that date. The legislature amended this exemption in 2025 through [PA 25-2](#), §§ 4-6 and [PA 25-168](#), §§ 233-242.

### *Who and what property is eligible?*

Connecticut residents who served in the Army, Navy, Marine Corps, Coast Guard, Air Force, or Space Force and have a 100% service-connected permanent and total disability rating, as determined by the U.S. Department of Veterans Affairs (U.S. DVA), are eligible for the exemption.

The law fully exempts from property tax either (1) the fractional share of a dwelling (e.g., house or condominium unit) 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. It also

applies to qualifying property held in trust for the veteran and eligible dwellings possessed by the veteran as a tenant for life (or for a term of years) if he or she is liable for property taxes. The exemption excludes any portion of the dwelling's unit or structure used for commercial purposes or from which the resident derives rental income ([CGS § 12-81\(83\)](#)), as amended by [PA 25-168](#), § 233).

The exemption may also apply to leased property including a (1) resident's primary dwelling that is located on leased or subleased land if the lease or sublease is recorded in the land records and requires the resident to pay all property taxes related to the dwelling and (2) motor vehicle the resident leases ([CGS § 12-93a](#), as amended by [PA 25-168](#), § 238).

If the veteran owns neither a dwelling nor a vehicle, the exemption may be applied toward his or her spouse if they live together for a dwelling or vehicle that (1) belongs to the spouse, (2) is held in trust for the spouse, or (3) is possessed by the spouse as a tenant for life (or for a term of years) who is liable for property taxes. Additionally, if the veteran dies, the qualifying property of the surviving spouse (while he or she remains unmarried) or the veteran's child (while still a minor) is exempt. Under the law, they are exempt to the same extent the veteran was, or would have been entitled to be, at the time of his or her death.

### ***Municipal Options***

For assessment years on or after October 1, 2025, the law additionally allows any municipality, by vote of its legislative body (or a vote of the board of selectmen if the legislative body is a town meeting), to:

1. exempt up to two acres of the lot the eligible dwelling sits on;
2. extend the exemption to unmarried surviving spouses of veterans who would have otherwise qualified for the exemption, but died between a date set by the legislative body and October 1, 2024 (when this exemption went into effect); and
3. limit the total exemption amount to the median assessed value of residential real property in the municipality ([CGS § 12-81\(83\)](#)), as amended by [PA 25-168](#), § 233).

Relatedly, the legislature established two new municipal-option veteran-related property tax exemptions that provide similar benefits as the 100% P&T exemption for (1) surviving spouses of active duty servicemembers killed in the line of duty and (2) state residents determined by U.S. DVA to have a service-connected total disability based on individual unemployability rating ([PA 25-168](#), §§ 240 & 241).

## ***What is the filing deadline?***

Applicants must generally submit proof to their town of:

1. qualifying military service (e.g., service in the Army, Navy, Marine Corps, Coast Guard, Air Force, or Space Force) by September 30 ([CGS §§ 12-93 & 12-95](#), as amended by [PA 25-168](#), §§ 235 & 237) and
2. a qualifying disability rating (i.e. a 100% P&T disability as determined by the U.S. DVA under this exemption) by January 1 ([CGS § 12-93](#), as amended by [PA 25-168](#), § 235).

Once the applicant submits the necessary proof of his or her eligibility, the exemption goes into effect for the next assessment year ([CGS § 12-95](#), as amended by [PA 25-168](#), § 237).

## ***How does an applicant verify eligibility?***

Under existing law, any taxpayers claiming a veteran-related property tax exemption must provide proof of their eligibility to the municipality in which they claim it. For assessment years on or after October 1, 2025, the law specifies that for the 100% P&T exemption, the claimant must annually apply to the town assessor by January 1 on an application created by Office of Policy and Management. The application must include all documentation necessary to prove the claimant's qualifying disability rating and an attestation that they have not and will not file for this exemption in another town ([CGS § 12-93](#), as amended by [PA 25-168](#), § 235).

Further, by law, assessors may, at any time, require any taxpayer to appear in person to provide proof that he or she is still eligible for specified property tax exemptions. For this exemption, the law allows claimants to provide a certification from U.S. DVA that they are unable to appear in person because of their 100% P&T service-connected disability rating ([CGS § 12-94](#), as amended by [PA 25-168](#), § 236).

If a veteran's disability rating is modified so that the claimant no longer qualifies for the exemption they are receiving, the claimant must notify the assessor of the modification and may apply for the exemption for which they are now eligible ([CGS § 12-95](#), as amended by [PA 25-168](#), § 237).

## ***What happens if a veteran is eligible but does not receive proof of his or her P&T rating until after the deadline to file it has passed?***

The law allows late filings under certain conditions, which are the same as those for the existing disability rating-based exemption (provided under [CGS § 12-81\(20\)](#), as amended by [PA 25-168](#), § 234, to veterans with a disability rating of at least 10%).

The law explicitly allows applicants to file proof of their P&T disability rating late. They may file it up to one year after:

1. getting proof of their qualifying disability rating or
2. the deadline to file it (presumably January 1, see above) has passed.

These late filers may receive either a retroactive abatement or, if they have already paid that tax bill, a refund. The maximum retroactive abatement or refund amount a late filer may receive is three years' worth ([CGS § 12-81\(83\)\(D\)](#), as amended by [PA 25-168](#), § 233).

According to the Connecticut Association of Assessing Officers' 2023 "Handbook for Connecticut Assessors," the veteran's proof of qualifying military service must still be filed before the assessment date (i.e. October 1).

### ***Is the exemption portable?***

By law, most veteran property tax exemptions that municipalities must provide, including the 100% P&T exemption, are portable between municipalities. This means veterans who have established their entitlement to an exemption in one town remain eligible for it if they move to another town during the tax year (even if they miss the application deadline in the second town) ([CGS § 12-81cc](#), as amended by [PA 25-168](#), § 239).

### ***Is the law retroactive? Are veterans eligible for refunds of taxes they paid before the new law was passed?***

The law applies to assessment years starting on and after October 1, 2024. Therefore, the exemption presumably does not apply to prior years and veterans would not be entitled to refunds for taxes they paid for prior years.

### ***Is there an existing property tax exemption for veterans with a 100% disability rating?***

Yes, under an existing law, veterans with a U.S. DVA disability rating of at least 10%, regardless of whether it is a permanent rating, are entitled to a property tax exemption. The exemption amount depends on a veteran's age, rating, and income level. The exemption (calculated as a dollar amount) may be applied toward any property belonging to, or held in trust for, the veteran. If the veteran does not own enough property to use the full exemption, it may be applied toward property belonging to, or held in trust for, the veteran's spouse if they live together ([CGS § 12-81\(20\)](#), as amended by [PA 25-168](#), § 234).

A veteran with a 100% rating is entitled to an exemption of at least \$10,500 if his or her income is \$18,000 or less (\$21,000 or less if the veteran is married). If the veteran's income is at or above this threshold, the exemption amount is at least \$5,250 ([CGS § 12-81g\(a\) & \(d\)](#)). The law requires municipalities to increase exemption amounts after certain revaluations ([CGS § 12-62g](#)) (see OLR Report [2025-R-0130](#) for more information). As a result, these exemption amounts are higher in many towns.

Veterans who qualify for this exemption may also qualify for an additional exemption amount if they have certain severe injuries (e.g., loss of use of an arm or leg). This additional amount can be applied to reduce the taxable value of the veteran's primary dwelling and the lot on which it is located ([CGS § 12-81\(21\)](#)).

Veterans may not simultaneously receive this exemption and the 100% P&T disability exemption.

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