P.A. 161 Disabled Veterans Exemption Eligibility Requirements

P.A. 161 of 2013 requires disabled veterans to annually file an affidavit in order to receive the exemption. An affidavit was required under the prior version of the Act. Local units are advised that they can modify their existing affidavit to meet the requirements for disabled veterans to file for the exemption at the 2013 December Board of Review. The State Tax Commission will consider a standard affidavit form for approval for us beginning in 2014 at their December 16th meeting.

Eligibility Requirements:

In order to be eligible for the exemption, the disabled veteran must have been honorably discharged from the armed forces of the United States. They must be a Michigan resident. Additionally, they must meet one of the following criteria:

a) Has been determined by the United States department of veterans' affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
b) Has a certificate from the United States veterans' administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.
c) Has been rated by the United States department of veterans' affairs as individually unemployable.

The un-remarried surviving spouse of the disable veteran is eligible for the exemption based upon the eligibility of their spouse: therefore the spouse must also be a Michigan resident. The exemption will continue only as long as the surviving spouse remains un-remarried.

How is a determination made that the disabled veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate?

The Veterans' Administration defines a service connected disability as a disability related to an injury or disease that developed during or was aggravated while on active duty or active duty for training. [1] The Veterans' Administration Schedule for Rating Disabilities is used to assess the medical conditions and illnesses incurred or aggravated during the veteran's military service and a percentage rating from 0% to 100% is assigned based on the severity of the disability.

Individuals filing the affidavit for the exemption under criteria a) must provide a copy of the letter from the Veterans' Administration indicating they have a 100% service connected disability and are entitled to receive benefits.

Note: The Act does not require the disabled veteran to have already received the benefit, it only requires that they have been determined to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

What is assistance for specially adapted housing?

The Veterans' Administration provides veterans with certain permanent and total service-connected disabilities financial assistance to purchase or construct an adapted home or modify an existing home to accommodate a disability. There are two grant programs: Specially Adapted Housing Grant (SAH) and the Special Housing Adaptation Grant (SHA). [2]

The State Tax Commission has determined that receipt of either grant would qualify an individual for the exemption under criteria b).

Individuals filing the affidavit for the exemption under criteria b) must provide a copy of the certificate from the Veterans' Administration indicating they are receiving or have received pecuniary assistance due to disability for specially adapted housing.

What does individually unemployable mean?

Individual unemployability is part of the Veterans' Administration disability compensation program. Under this program, veterans may receive compensation at the 100% rate even though their service connected disability is not rated at 100%. [3]

In order to be eligible a veteran must prove they are unable to maintain substantially gainful employment as a result of their service connected disability. In addition they must have one service connected disability rated at 60% or more or two or more service connected disabilities with at least one rated at 40% or more with a combined rating of 70% or more. [4]

Individuals filing the affidavit for the exemption under criteria c) must provide a copy of the letter from the Veterans' Administration indicating they are individually unemployable.

Is there an asset test and/or means test to determine eligibility?

No, there is no asset test and/or means test to determine eligibility. In order to be eligible the disabled veteran must meet the requirements of Public Act 161 of 2013 regardless of their income or the value of their home.

[1]Summary of VA Benefits for Disabled Veterans

[2] U.S. Department of Veterans Affairs Housing Grants for Disabled Veterans

[3] Veteran's Affairs Individual Unemployability Fact Sheet

[4] Veteran's Affairs Individual Unemployability Fact Sheet

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