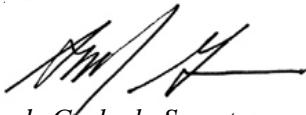


A Guide to South Dakota's Disabled Veteran Property Tax Exemption Program

The State of South Dakota recognizes and honors our state's veterans for the service they have given to and sacrifices they have made for their country. Some of our South Dakota veterans returned home with disabilities sustained through the course of their military service and, because of those conditions, may have difficulty meeting their property tax obligations.

With that in mind, the Disabled Veteran Property Tax Exemption program was developed to help ease the tax burden for such individuals. This brochure explains how the program works, the eligibility requirements, how to apply, and lists the statutes that govern the program. To find out more, please call the Department of Revenue, Property and Special Taxes Division toll-free at 1-800-829-9188.

Respectfully,



*Andy Gerlach, Secretary
SD Department of Revenue*

WHAT THE PROGRAM DOES

The program exempts \$100,000 of the full and true value of the dwelling, or a portion thereof, from property taxes for eligible disabled veterans or their unremarried surviving spouses.

After an initial application is filed and the property qualifies for the exemption, the property will continue to receive the \$100,000 exemption until the property is sold or there is a change in use. Additional applications or annual renewal is not required to retain the exemption on the property.

For this program, "dwelling" is defined as the house, manufactured home, or mobile home, and the lot upon which the structure is situated. This also includes the garage, either attached or unattached.

WHO IS ELIGIBLE

To be eligible for the exemption, the following criteria must be met:

- The property must be owned and occupied by a disabled veteran or unremarried surviving spouse.
- The property must be classified as owner occupied.
- The veteran must be rated as permanently and totally disabled as the result of a service-connected disability.

Applicants must provide proof of their eligibility. A statement verifying that you are permanently and totally disabled as the result of a service-connected disability(ies) can be obtained by contacting the Sioux Falls VA Regional Office at 1-800-827-1000. A copy of this statement must be provided with your application for the exemption as proof that you meet the eligibility requirements.

HOW TO APPLY

Applications must be filed on or before November 1 of the first year the exemption is requested. Your application is for the following assessment year, taxes payable the next year. **For example**, an application filed by November 1, 2011 is for the 2012 assessment year, and the property taxes payable in 2013.

Your application and proof of eligibility (see previous section) should be filed with the Director of Equalization in the county where the property is located.

HAVE QUESTIONS ON THE PROGRAM?

Contact your local Veterans Service Officer, your county Director of Equalization, or the South Dakota Department of Revenue, Division of Property and Special Taxes in Pierre.

Statutory Authority for the Program

SDCL 10-4-40 and 10-4-41. Partial exemption of dwellings owned by certain disabled veterans or surviving spouse.

10-4-40. Partial exemption of dwellings owned by certain disabled veterans. One hundred thousand dollars of the full and true value of the total amount of a dwelling or portion thereof classified as owner-occupied pursuant to §§ 10-13-39 to 10-13-40.4, inclusive, that is owned and occupied by a veteran who is rated as permanently and totally disabled from a service-connected disability is exempt from property taxation. The veteran shall apply for this partial exemption on a form prescribed by the secretary of revenue. Any application or supporting document for this exemption is confidential. Any veteran who would otherwise qualify for this exemption but fails to comply with the application deadline for the owner-occupied classification or the deadline for application for this exemption may petition the board of county commissioners to recalculate the taxes based upon the owner-occupied classification and this exemption and abate or refund the difference in taxes pursuant to chapter 10-18.

If the director of equalization determines that the veteran receives an exemption for the veteran's dwelling pursuant to this section, the veteran retains that exemption until such time as the property ownership is transferred, the veteran does not occupy the dwelling, or the property has a change in use. If the legal description of property is changed or amended and the veteran continues to reside in the dwelling, the veteran retains the exemption provided by this section.

10-4-41. Partial exemption for owner-occupied dwellings of surviving spouses of certain disabled veterans. One hundred thousand dollars of the full and true value of the total amount of a dwelling or portion thereof classified as owner-occupied pursuant to §§ 10-13-39 to 10-13-40.4, inclusive, that is owned and occupied by the surviving spouse of a veteran who was rated as permanently and totally disabled from a service-connected disability is exempt from property taxation. The surviving spouse shall apply for this partial exemption on a form prescribed by the secretary of revenue. Any application or supporting document for this exemption is confidential. Any surviving spouse who would otherwise qualify for this exemption but fails to comply with the application deadline for the owner-occupied classification or the deadline for application for this exemption may petition the board of county commissioners to recalculate the taxes based upon the owner-occupied classification and this exemption and abate or refund the difference in taxes pursuant to chapter 10-18.

If the director of equalization determines that the surviving spouse receives an exemption for the dwelling pursuant to this section, the surviving spouse retains that exemption until such time as the property ownership is transferred, the surviving spouse does not occupy the dwelling, the surviving spouse remarries, or the property has a change in use. If the legal description of property is changed or amended and the surviving spouse continues to reside in the dwelling, the surviving spouse retains the exemption provided by this section.

SD Department of Revenue
Property and Special Taxes Division
445 East Capitol Avenue
Pierre, SD 57501-3185
Phone: 605-773-3311
Toll-free: 1-800-829-9188