

DISABLED VETERANS PERSONAL PROPERTY TAX EXEMPTION GUIDELINES

PURPOSE

This guideline gives clarity and special emphasis to *Virginia Code §58.1 – 3668 B*. The goal is to create uniformity across the association.

VIRGINIA CODE

B. Pursuant to subdivision (a) (8) of Article X, Section 6 of the Constitution of Virginia, one motor vehicle owned and used primarily by or for a veteran of the Armed Forces of the United States or the Virginia National Guard who has been rated by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law with a 100 percent service-connected, permanent, and total disability shall be exempt from taxation. Any such motor vehicle owned by a married person may qualify if either spouse is a veteran who is rated as 100 percent disabled. Any locality may establish procedures for a veteran to apply for the exemption and may enact any ordinance necessary for administration of the exemption.

Vehicle Qualification

The following ownership and use qualify for personal property tax exemption:

- 1) The vehicle is owned by the disabled veteran.
- 2) The vehicle is used primarily by or for the disabled veteran.
- 3) The vehicle is owned jointly with the spouse of the disabled veteran.
- 4) The vehicle is owned solely by the spouse of a disabled veteran and used primarily by or for the disabled veteran.

A vehicle can be owned by a veteran but if it is not **used by or for the veteran** it does not qualify.

Example: Disabled veteran co-owns a vehicle with the son or daughter, but the vehicle is primarily driven and used by the child. The vehicle does not qualify.

Vehicles Owned by a Married Person

The background information published by the Virginia Department of Elections in 2020 indicated the intent of the exemption relating to vehicles owned solely by the spouse. As presented to the voters, the Constitutional Amendment would allow for a spouse to solely own a qualifying vehicle in situations where the disabled veteran no longer has the ability to own or drive a vehicle. (See the following link to the Virginia Department of Elections <https://www.elections.virginia.gov/proposed-constitutional-amendment-2020/>.)

“Under this amendment, a motor vehicle that is owned by the spouse of a veteran of the United States armed forces or the Virginia National Guard with a one hundred percent (100%) service-connected, permanent, and total disability could also be free from taxation.”

Example: Disabled Veteran's spouse is the sole owner of the vehicle. The veteran no longer has the ability to own or drive a vehicle. The spouse's vehicle is used for transporting veteran to medical centers for care. The vehicle qualifies for the exemption.

Vehicles Owned by a Trust

A vehicle owned by a trust of any type, either revocable or irrevocable, does not qualify for the tax exemption. *Code of Virginia* §58.1 – 3668 B is very clear that the vehicle must be owned by either the veteran or jointly owned with the spouse.

This situation is identical to the Disabled Veterans' real estate tax exemption effective January 1, 2011. The original legislation required the property to be in the name of the veteran. Properties owned in the name of a trust did not qualify. In a later session, the General Assembly amended the code and extended the exemption to properties owned by the veteran's trust to include revocable or irrevocable trusts.

Until the General Assembly amends §58.1 – 3668 B, vehicles owned by the veteran's trust do not qualify for the exemption.

Please use this chart to determine if a vehicle qualifies.

If you answer "Yes" to all questions, the vehicle qualifies for exemption.

1. Is the veteran rated "100%" service-connected, permanently and totally disabled?
2. Is the vehicle owned by the disabled veteran, jointly with the spouse or solely by the spouse?
3. Is the vehicle used primarily by or for the disabled veteran?

Type of Motor Vehicle Eligible for Exemption:

- 1) Passenger Car
- 2) Pickup
- 3) Panel Truck

Example: The vehicle types listed above as defined in §46.2-100 are exempted. Motorcycles are not included and are not exempted.

When Does the Exemption Begin?

- The Disabled Veteran's Personal Property Exemption is effective January 1, 2021.
- The motor vehicle is exempted as of the date it is acquired or January 1, 2021, whichever is later.
- In non-prorating localities, the exemption begins on the date of the disabled veteran's designation.
- The motor vehicle exemption is not applicable for any period of time prior to January 1, 2021.

Examples:

Veteran's Disability Status	Date Vehicle Becomes Exempt
Veteran declared disabled prior to January 1, 2021.	January 1, 2021
Veteran declared disabled after January 1, 2021.	Date of qualifying disability rating from the VA
Disabled Veteran purchases vehicle after January 1, 2021.	Date the vehicle is acquired
Veteran lives in non-prorating locality and is declared disabled after January 1, 2021.	Exemption begins on date of designation. Exemption does not begin on the next January 1 assessment date.

What is the Statute of Limitations for Refunds?

- § 58.1-3980 governs the statute of limitations for refunds.
- No taxes can be refunded for any period prior to the effective date of the legislation which is January 1, 2021.