Tampa Bay Times: Amendment 6 would aid spouses of veterans in Florida locked out by a loophole

Most veteran property tax exemptions transfer to a spouse upon death, except one

Florida offers a property tax exemption for military veterans wounded in service and rendered 100 percent disabled. When they die, it carries over to surviving spouses.

But a separate exemption for members of the military who were partially disabled due to their service and who reached retirement age doesn't carry over to surviving spouses.

A proposal on the November ballot could change that. If approved by voters, it would extend the partial property tax exemption for surviving spouses.

Since 2007 at least 334 spouses of these veterans in Pinellas County have lost out on this exemption upon losing their loved one, said Mike Twitty, property appraiser for the county. It's led to difficult conversations and decisions to move or even leave the state due to the financial hardship.

Amendment 6 on the Florida 2020 ballot would ensure spouses inherit the exemption upon the veteran's death, so long as they hold the title to the property, permanently live there and don't remarry.

"This amendment, in my mind, effectively, closes a loophole to get [veteran exemptions] all consistent," Twitty said.

The loophole Twitty refers to works like this: If an honorably discharged veteran, of any age, has a 100 percent service-connected, permanent disability as determined by the Department of Veterans Affairs, they pay $0 in property taxes in Florida thanks to an exemption in the state constitution. When that veteran dies, their spouse may continue to pay $0 in property taxes so long as they don't remarry or dispose of or sell the homestead.

The taxes on a $270,000 home, close to the average value in Tampa according to Zillow, would be about $2,000 after the homestead exemption available for all homestead owners. That's close to $200 a month in savings for someone still paying a mortgage

If an honorably discharged veteran age 65 and up has, say, a 40 percent combat-related disability, they get a 40 percent discount off of their property taxes thanks to an exemption on the books that calculates a discount based on the percentage of the veteran's disability. When that veteran dies, their spouse does not get to continue using that discount.

On the same $270,000 home in Tampa, that's about $1,080 lost in savings for spouses who Twitty said are often living on a fixed income and may end up no longer being able to afford their home as a result.

Amendment 6 would ensure spouses still benefit from their loved one's discount after their death, as they already do with other exemptions.

As of 2020 1,292 households in Pinellas County have this discount, Twitty said. That means eligible veterans are currently saving about $1.6 million in property taxes just through this exemption.

In Pasco County it's 423 households accounting for about $284,000 in tax dollars, according to the county's property appraiser office.

In Hillsborough County it's 385 households accounting for about $528,000 in tax dollars, said Will Shepherd, general counsel at the county's property appraiser office.

The fact that this one property tax exemption didn't already transfer to surviving spouses seemed almost like an oversight, Shepherd said.

The Florida Department of Veterans' Affairs has been trying for years to address this gap through legislation and ultimately succeeded in getting the attention of state Rep. Sam Killebrew, R-Winter Haven, who drafted the bill that passed unanimously in the House and Senate, landing it on the ballot.

"I can't imagine anybody voting against wanting to help the spouses of veterans," Killebrew said.

While the League of Women Voters of Florida is sympathetic to these spouses, the group is voicing opposition to the amendment transferring the exemption because it would limit the ability of local governments to manage their budgets, said Patricia Brigham, president of the League. She said that assistance to these spouses should be provided through legislation not through constitutional amendments.

"We do not believe that issues of taxation belong in the state constitution," she said.

A House bill analysis said it would cost local governments up to $4 million annually.

Yet Twitty, with Pinellas County, argued that the cost is minimal compared to the financial hit felt by loved ones who lose a spouse and the tax savings they had enjoyed because of their service.

He added that should the amendment pass, eligible spouses cannot recoup past years of paid property taxes but can begin to see the discount take effect moving forward.

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Article by Ileana Najarro