

A Guide to South Dakota's Disabled Veteran Property Tax Exemption Program (SDCL 10-4-40)

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 that 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, what eligibility requirements must be met, how to apply, and lists the statute that governs the program. To find out more, please call us toll-free at 1-800-829-9188.

SD Department of Revenue

WHAT THE PROGRAM DOES

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

After application is made and the property qualifies for the exemption, no further applications are needed. The property will continue to receive the \$100,000 exemption until the property is sold or there is a change in use.

“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, whether that structure is 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.

For the initial application, the applicant must provide proof of their eligibility. Such proof can be obtained by calling the Sioux Falls VA Regional Office at 1-800-827-1000 and requesting that they send you a statement verifying that you are permanently and totally disabled as the result of a service-connected disability(ies). You must take a copy of that statement with you when you apply for the exemption as proof that you meet the eligibility requirements.

HOW TO APPLY

Application must be made 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 by November 1, 2016 is for the 2017 assessment year, and the property taxes payable in 2018.

Send the completed application to the county Director of Equalization in the county where the property is located. Remember to supply proof of eligibility (see previous section) when making application for this exemption.

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 10-4-41. 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
1-800-829-9188