



Veterans & Military Families Caucus

Democratic Party of New Mexico

HJR5

Extend Property Tax Exemption, CA

Representatives Alcon, H. Garcia, Block, A. Martinez and Roybal Caballero



Why VMFC supports HJR 5

It includes a VA estimated **85% of disabled veterans** whose ratings are less than 100%.

It benefits a small yet honored group **who sacrificed more than most** in service to our nation and who need tax free disability benefits to make ends meet.

The number impacted excludes the already covered 100% disabled veterans (~15%). The **potential beneficiaries of this resolution would be less than 20%** of all NM veterans.

New Mexico is one of the 18 states that does not charge any property tax for disabled veterans. However, **other states including Texas, offer exemptions for partially disabled veterans.**

NM traditionally honors its veterans, let's honor more of them.

There are **141,558 veterans** living in New Mexico, of which **26.3% or 37,230 have a service-connected disability**. This total includes veterans with 10% to 100% disability.

Current statute provides a 100% exemption on property tax to all veterans with a 100% disability rating, or to their surviving widows or widowers who occupy the property. HJR 5 proposes to **extend a partial tax exemption to the less-than-100% disabled veterans**, and their widows or widowers.

The amount of the exemption shall be in a percentage equal to the percentage of the veteran's federal (VA) disability rating.

The current deduction for existing 100% disabled veterans is **\$5,860,910** (NM total). Under HJR 5 the proposed state total deduction is estimated to be **\$22,563,585**.

The FIR concludes "that this property tax exemption would create an annual average property **tax reduction of \$767** for **29,400 service-related disabled veterans** with property tax liability. This would create an **additional annual per capita burden of \$14** for the population in general."

The FIR assumes that every eligible veteran or widow or widower would claim the tax exemption. DVS processed 3,099 property tax exemption applications in 2021. Based on this reality, **we anticipate the fiscal impact will be far lower** than the FIR estimate of 100% participation.

Sources: New Mexico Department of WorkForce Solutions https://www.dws.state.nm.us/Portals/0/DM/LMI/2022_Veterans_Profile.pdf
NM DVS 2022 Annual Report https://www.nmdvs.org/wp-content/uploads/2022/01/2022-ANNUAL-REPO-RT-MASTER.pub_.pdf, TEXVET <https://texvet.org/propertytax#2Property90>.

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