



Veterans & Military Families Caucus

Democratic Party of New Mexico

HJR6



Increase veteran property tax exemption

Representatives Alcon, H. Garcia, Block, A. Martinez and Borrego

Why VMFC supports HJR 6

The **most popular state benefit** available to our 142,000 veterans, according to NM DVS is the **Veterans State Property Tax Exemption**.

Our statute has not been updated since 2006 and the steep rise in home values and inflation means it no longer reflects the intended benefit.

The benefit has been proven in states across the country to **increase the rate of veteran home ownership**.

NM traditionally values its veterans. However, we are ranked as the **6th worst state for military retirees** by Military.com based on 30 indicators as of May 2022.

Currently, up to **\$4,000 of the taxable value of property**, including the community or joint property of husband and wife, is exempt from the imposition of the tax if the property is **owned by a veteran or the veteran's unmarried surviving spouse**. This applies to honorably discharged veterans or surviving spouses who are **New Mexico residents**.

New Mexico has **142,000 veterans** and it is estimated that **68% of veterans (96,560) qualify** for this benefit, meaning a home they own is their primary residence and they were honorably discharged.

HJR 6 seeks a constitutional amendment to **raise the exemption from \$4,000 to \$10,000 and index it to the amount of inflation** from 2025 onward.

The FIR states that "There are approximately **74,000 veterans claiming the \$4,000 property deduction** per tax year 2020 county reports". Per the FIR on raising it to \$10,000, "The rough conclusion is that this property tax exemption would create an annual average property **tax reduction of \$180** for almost 100,000 qualifying veterans. This would create an additional **annual per capita burden of \$34** for the population in general."

The **Consumer Price Index (CPI)** is the most widely used measure of inflation and may be appropriate for indexing this veterans property taxes exemption in **future years**.

Sources: Veteran's United Home Loans
<https://www.veteransunited.com/futurehomeowners/veteran-property-tax-exemptions-by-state/>, Military.com
<https://www.military.com/military-transition/retirees/10-best-places-for-military-retirees.html>, VA News
<https://news.va.gov/76439/veterans-benefits-2020-popular-state-benefit/>

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