



## SCA 4/SB 623 – Veterans Exemption

### SUMMARY

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Senate Constitutional Amendment 4 and Senate Bill 623 seeks to allow an eligible property owner who qualifies for the veterans' exemption or the disabled veterans' exemption to also receive the homeowners' exemption.

### BACKGROUND/EXISTING LAW

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California accounts for 7.3 percent of the nation's veteran population. In 2021, an estimated 18.5 million veterans lived in the United States, including 1.3 million that consider California their home. Over 500,000 of California's veterans were deployed into combat or an active war zone during their enlistment periods. According to the latest figures from the U.S. Census Bureau, the largest segments of California's veterans last served in the Army, Navy, and Marine Corps branches of the U.S. armed forces.

In California, veterans who own and occupy a home as their primary residence may be eligible for a property tax exemption known as the Veterans' Exemption. It provides a \$4,000 reduction in the taxable value of the property.

To qualify for the exemption, veterans must meet the following criteria:

- The veteran must be honorably discharged from active duty in the U.S. Army, Navy, Air Force, Marine Corps, Coast Guard, or Reserves
- The veteran must own and occupy the property as their primary residence on the lien date, which is January 1 of each year
- The veteran must file a claim with the county assessor's office by February 15 of each year
- The veteran may not own property, real or personal, worth more in aggregate than \$5,000 if the claimant is single. If married, the couple may not own property worth more than \$10,000.

This exemption may also be claimed by the unmarried spouse of a deceased veteran or the surviving parents, as defined, of a deceased

veteran, subject to the same limitation on the value of aggregate ownership in property.

### PROBLEM

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Prescribed specifically in the Constitution, amounts exempt pursuant to the veteran's exemption are not adjusted for inflation. As such, today's value of the veteran's exemption remains the same, along with the limitations on the maximum total value of property owned by the veteran to remain eligible for the exemption. This limitation includes both real and personal property.

Thus, a veteran who owns a home would most likely not qualify for the veterans exemption. Therefore, the number of veterans claiming this exemption is minimal, and the Board of Equalization notes that their most recent data indicate zero applications for this exemption. Moreover, since the homeowners' exemption is nearly twice the amount of the veteran's exemption, most California veteran homeowners choose the homeowners exemption.

Existing law does not permit a qualifying property owner to claim more than one exemption. In other words, it is extremely unlikely that a veteran property owner would claim the veteran's exemption, making the veteran's exemption essentially obsolete.

### SOLUTION

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SCA 4 and SB 623 would allow veteran homeowners to stack the veterans' exemption and the homeowners' exemption.

### PREVIOUS LEGISLATION

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SB 871 and SCA 6 (2023) Archuleta

### FOR MORE INFORMATION

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