



JAMES W. EDMING

STATE REPRESENTATIVE • 87TH ASSEMBLY DISTRICT

Testimony in Support of Assembly Bill 88

Assembly Committee on Ways and Means

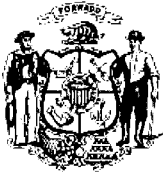
Thursday, May 23, 2019

Mr. Chairman and committee members, thank you for holding this public hearing today and giving me the opportunity to speak to you in support of Assembly Bill (AB) 88. I would like to thank Senator Jacque and Senator Taylor for working with me on this important legislation.

For many years Wisconsin has been a leader in providing benefits and services to our veterans. This legislation builds upon that by increasing the number of veterans that qualify for the Disabled Veterans and Surviving Spouses Property Tax Credit. Currently, in order to qualify for this property tax credit, a veteran's service-connected disability rating must be 100%. AB 88 lowers the threshold to claim the credit to 70%. Under this bill, the maximum credit that an eligible person could claim is multiplied by the percentage of that person's service connected-disability rating. For example, if an eligible veteran has a service-connected disability rating of 70%, they may claim a 70% property tax credit.

I am sure many of you have seen news stories of deserving wounded combat veterans receiving support from the community and non-profits to either build or renovate a home to accommodate their disability. However, oftentimes these improvements increase the value of the property value and the amount of property tax owed. Due to their injuries, a number of these veterans are living on fixed incomes and struggle to pay their property taxes. Because of the way the tax credit is structured now, a veteran who has a service-connected disability ranking of 80% or even 90% and faces significant barriers to paying their property taxes does not qualify for property tax relief under the Disabled Veterans and Surviving Spouses Property Tax Credit. By expanding the eligibility for this tax credit we are providing needed property tax relief that will allow more of our disabled veterans to stay in their homes.

Mr. Chairman and members, I ask for your support of AB 88 and thank you again for the opportunity to testify before you today.



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*Testimony before the Assembly Committee on Ways and Means
State Senator André Jacque
May 23rd, 2019*

Chairman Macco and Members of the Assembly Committee on Ways and Means,

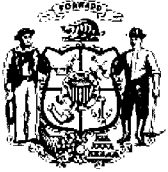
Thank you for holding this hearing and the opportunity to testify before you today in support of Assembly Bill 88, bi-partisan legislation which will expand eligibility for veterans with very significant, service connected disabilities and their unremarried surviving spouses to be able to claim the Wisconsin Veterans and Surviving Spouses Property Tax Credit.

The concept here is simple. Currently, a veteran must have a service-connected disability rating of 100 percent. Under AB 88, a veteran or their unremarried surviving spouse may claim the credit if the veteran's service-connected disability rating is at least 70 percent. Under this legislation, the maximum credit that a claimant may claim is multiplied by the percentage of the claimant's service-connected disability rating (i.e. a veteran with a 70% service-connected disability rating may claim a 70% property tax credit).

The Wisconsin Disabled Veterans & Surviving Spouses Property Tax Credit provides eligible veterans and unremarried, surviving spouses a refundable property tax credit for their primary, in-state residence and up to one acre of land. The veteran would have had to been a resident of Wisconsin at the time of death for an unremarried spouse to qualify for the benefit, and the Wisconsin Department of Veterans Affairs verifies the veteran's eligibility for the program. The credit is administered by the Wisconsin Department of Revenue through the state income tax return. Claimants who choose to receive the Disabled Veteran credit are unable to receive the WI Renters and Homeowners Property Tax Credit. These elements all remain unchanged under AB 88.

According to the Department of Revenue, this legislation would be expected to increase the number of claimants of the credit by approximately 5,403 disabled veterans. While it is true that under AB 88 there would be a not-insignificant reduction in the amount of taxes collected from Wisconsin's disabled veterans who have suffered serious service-connected disabilities, it is thoroughly appropriate, and in line with previous state commitments to care for our veterans, that our veterans with serious service-connected disabilities who may fall just short of a 100% rating should still qualify for significant property tax relief on at least a prorated basis and be able to stay in the homes and communities here in Wisconsin that they contribute and have contributed so much toward.

When they deployed, our veterans wrote out a blank check with their lives to defend our freedom, and we will never be able to fully repay them. Of course, many never came back and many more struggle with compromised health as a result of their service. We owe it to all of our veterans to continue to find ways to invest in helping those wounded dealing with bills on fixed incomes trying just to stay in stay in their homes, dealing with being underemployed or unemployable as a result of



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their disability, and frequently dealing with a loss of household income as well because of a disabled veteran's spouse leaving their job or reducing hours to care for their loved one.

Identical legislation (2017 AB 436, no senate companion) passed the Assembly Committee on Veterans and Military Affairs by a unanimous 14-0 vote last session, with strong support from numerous veterans groups who came to testify including the County Veterans Service Officer Association of Wisconsin, AMVETS, VFW, American Legion, DAV, Military Order of the Purple Heart, Vietnam Veterans of America, the Eau Claire Veterans Council, and former State Senator and veterans advocate Dave Zien. This legislation is a common sense way to better meet our ongoing commitment to those who have sacrificed and suffered hardship for us.

Thank you for your consideration of Assembly Bill 88.



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May 23, 2019

Chairman Macco and Members of the Assembly Ways and Means Committee thank you for the opportunity to speak today on Assembly Bill 88 reducing the eligibility threshold to claim the veterans and surviving spouses property tax credit. I am Rock Larson the legislative chairperson for the County Veterans Service Officer Association of Wisconsin. Our association supports this bill

Disabled veterans because of their disabilities have reduced earning potential. With that reduced earning potential often, reduced retirement savings, to include contributions to 401K and social security, affect many. This bill would assist more disabled veterans with home ownership and the ability to stay in their home.

Wisconsin claims to lead the nation in providing for our veterans and in many ways it does; however, currently when it comes to property tax relief for our disabled veterans we are currently tied for last place with our neighboring states.

Michigan - provides 100% property tax relief for veterans who are 100% disabled (Including IU).

Minnesota - provides for 100% service connected disabled (Including IU) up to \$300,000 of the market value of a home is excluded from property tax..

For 70% or greater or qualifying primary family caregivers of veterans with 70% or greater up to \$150,000 of market value of a home is excluded from property tax.

Illinois provides for Veterans rated 70% or greater service connected disabled are exempt from property tax.

Rated 50-69% receive a \$5,000 reduction in the equalized assessed value of their home.

Rated 30-49% receive a \$2,500 reduction in the equalized assessed value of their home.

Iowa provides 100% property tax relief for veterans who are 100% disabled (Including IU).

Provides a reduction of equalized assessed value of \$1,852 for most veterans and mobilized Guard & reserve forces.

Once again, our association supports the passage of AB 88. Subject to your questions, this concludes our testimony.

Rock A. Larson

Rock A. Larson
Legislative Committee Chairperson
CVSO Association of Wisconsin

DEPARTMENT OF WISCONSIN

VETERANS OF FOREIGN WARS OF THE UNITED STATES



May 23, 2019

Chairman Macco, Vice-Chair Wittke and Members of the Assembly Committee on Ways and Means:

The Veterans of Foreign Wars-Department of Wisconsin supports AB 88-reducing the eligibility threshold to claim the veterans and surviving spouses' property tax credit from 100 percent military service-connected disability to 70 percent.

The United States has been at a state of war, non-stop, around the world, since September 11, 2001. From Afghanistan to Iraq, Libya to Syria, Yemen to Niger, Philippines to Indonesia and many other hot spots around the world where evil forces have revealed themselves. At no other time in our country's history have we seen such a constant state of military readiness and engagement. It only stands to reason that we have also seen the highest number of PTSD, TBI, Moral and other "unseen" injuries reach near record diagnosis and claims within our federal VA system. Many of these brave men and women are 70-90% service-connected rated, but can still work, or are too proud to seek "unemployability" status from the VA. Make no mistake though, these veterans' ability to work, as well as in what careers, is severely diminished. This disadvantage is related to their selfless sacrifice for their country and communities therefore it is only fitting that we try to help them overcome this disadvantage in any way we can. AB 436 creates a mechanism for the state to not only help even the playing field a bit, it also tells these veterans "we recognize and appreciate the sacrifice you made for all of us, thank you."

The VFW-Department of Wisconsin is under no illusion as to the fiscal impact of this legislation to the state's budget. However, if one of these veterans were your husband or wife, your son or daughter, or grandchild, what is their ability to work to their full potential worth to you? More importantly, to their immediate families they financially support? In many ways, Wisconsin is hands down a leader in the country when it comes to taking care of our veterans but in regard to property tax assistance we are simply "most the same" as the majority of states. And in fact, we are behind our neighboring states in the upper Midwest. Iowa offers an exemption of almost \$2,000 simply for serving in the military 18 months or more, Minnesota provides 100% exemption for 70% or more (up to \$150k of assessed value) and Illinois, yep, Illinois, offers a \$2500 exemption for 30-50%, \$5,000 for 50-70%, and if you are 70% or greater you are fully exempt from property taxes. In many ways, Wisconsin is hands down, a leader in the country when it comes to taking care of our veterans, but in regard to property tax assistance we are "pretty much the same" as other states. We hope you will agree that Wisconsin should always be out in the forefront on veterans' benefits and pass AB 88 out of this committee. If you

disagree, or are indifferent, then vote for this bill for no other reason than we cannot let Illinois be better than us.

On behalf of State Commander Gundel Metz, and all members of the VFW-Department of Wisconsin, we wish to thank the authors of this bill, Representative Edming and Senator Jacque.



FULFILLING OUR PROMISES
TO THE MEN AND WOMEN WHO SERVED

Department of Wisconsin

**STATEMENT FOR THE RECORD
MICHAEL A. HERT
DAV WISCONSIN COMMANDER
ACCOMPANIED BY
AL LABELLE
DAV WISCONSIN BENEFITS PROTECTION TEAM LEADER
BEFORE THE
COMMITTEE ON WAYS AND MEANS
WISCONSIN STATE ASSEMBLY
MAY 23, 2019**

Chairman Macco, Ranking Member Reimer and Members of the Committee:

Good morning! Thank you for allowing DAV (Disabled American Veterans) this opportunity to present our view on Assembly Bill 88 (AB 88) Relating to: *reducing the eligibility threshold to claim the veterans and surviving spouses property tax credit.*

As you may know, DAV is a non-profit veterans service organization (VSO) comprised of nearly 1 million wartime service-disabled veterans, nationwide. In Wisconsin, we have over 15,000 members. DAV was founded in 1920 and congressionally chartered in 1932.

Each year, we help more than 1 million veterans with Benefits, Transportation, Advocacy, Employment, and Volunteerism. Over Eighty percent (80%) of our total expenditures go to Service.

All our members were wounded, injured or became ill while in service to our nation, many of them severely. They have sacrificed much in defense of our country and state.

DAV Wisconsin has always been a strong supporter of the Wisconsin Veterans and Surviving Spouses Property Tax Credit and advocated for its passage and its various expansions.

Wisconsin has for years prided itself as being number #1 in the services and benefits it provides to its veterans. In most cases this is true, but not always. Some states do specific benefits better.

As an example in 2015, the Illinois legislature passed Senate Bill 107 (IL SB 107) unanimously, without a single dissenting vote, and the Governor signed it into law. The bill gave the following property tax exemptions to disabled veterans:

- A \$2,500 exemption to a veteran with a VA service-connected disability rating of at least 30% but less than 50%
- A \$5,000 exemption to a veteran with a VA service-connected disability rating of at least 50% but less than 70%
- Veterans with a VA service-connected disability rating of at least 70% are exempt from paying property taxes on their primary residence

At our 2018 State Convention, we passed a Resolution based on Illinois' SB 107 entitled *Support a Graduated Revision to the Wisconsin Veterans and Surviving Spouses Property Tax Credit*. This quickly became one of our legislative priorities. However, when we present this priority to legislators, we note the Resolution's model is only a blueprint, not chiseled in stone. We are flexible.

Under AB 88, an eligible veteran or spouse may claim the property tax credit if the veteran's service-connected disability rating is at least 70 percent. Currently, that rating must be 100 percent. Under the bill, the maximum credit that they may claim is multiplied by the percentage of the veteran's service-connected disability rating. Basically, the bill prorates the property tax credit to the service-connected rating.

Thank you, Rep. Edming and Sen. Jacque for introducing AB 88. Thank you, Rep. Brooks and Rep. Kulp for being sponsors. DAV appreciates you, Chairman Macco, holding this hearing on AB 88 and we consider it a great first step.

After reviewing the Wisconsin demographics compiled by the Department of Veterans Affairs (VA) National Center for Veterans Analysis and Statistics, it has become apparent to us that that this bill will help many aging veterans¹. Many of them live with limited income and resources.

The study shows approximately half the veterans residing in Wisconsin who receive VA Compensation are 65 years or older. If expanded to 55 years or older, it becomes a significant majority.

DAV Wisconsin has been contacted by numerous members, supporters and veterans directly affected by AB 88. The following is one of the many comments we have received: "Currently, my husband is at 90%. He is 65 now and unemployable. It will be a godsend to my husband and me if AB 88 goes through, especially since our expenses are increasing dramatically like the cost of my medical insurance going up to \$1,200 per month."

The population of Wisconsin is graying. Enhancing the Property Tax Credit may provide a potential remedy. As an ancillary benefit, the graduation of the Veterans and Surviving Spouses Property Tax Credit may become an inducement for younger transitioning veterans seeking employment to move to the state.

Pursuant to our Resolution 2018-51, DAV Wisconsin strongly supports AB 88 and urges this Committee and the legislature to pass the bill, hopefully unanimously, in an expeditious manner.

This concludes my testimony, Mr. Chairman. We would be pleased to respond to any questions you or other Committee Members may have.

¹ Department of Veterans Affairs, Office of Data Governance and Analytics, United States Veterans Eligibility Trends & Statistics (USVETS) 2017. Prepared by National Center for Veterans Analysis & Statistics