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DEPARTMENT OF TREASURY  
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**Bulletin 4 of 2023**  
**February 14, 2023**  
**Disabled Veterans Exemption**

**TO:** Assessors and Equalization Directors  
**FROM:** Michigan State Tax Commission  
**SUBJECT:** MCL 211.7b Disabled Veterans Exemption

**Bulletin 22 of 2013 is rescinded.**

MCL 211.7b provides an exemption from property taxes under the General Property Tax Act for a disabled veteran who was honorably discharged from the United States Armed Forces:

(1) Real property used and owned as a homestead by a disabled veteran who was discharged from the armed forces of the United States under honorable conditions or by an individual described in subsection (2) is exempt from the collection of taxes under this act. To obtain the exemption, an affidavit showing the facts required by this section and a description of the real property shall be filed by the property owner or his or her legal designee with the supervisor or other assessing officer during the period beginning with the tax day for each year and ending at the time of the final adjournment of the local board of review. The affidavit when filed shall be open to inspection. The county treasurer shall cancel taxes subject to collection under this act for any year in which a disabled veteran eligible for the exemption under this section has acquired title to real property exempt under this section. Upon granting the exemption under this section, each local taxing unit shall bear the loss of its portion of the taxes upon which the exemption has been granted.

MCL 211.7b(2) allows an unremarried surviving spouse of a qualifying disabled veteran to retain and claim the exemption:

(2) If a disabled veteran who is otherwise eligible for the exemption under this section dies, either before or after the exemption under this section is granted, the exemption shall remain available to or shall continue for his or her unremarried surviving spouse. The surviving spouse shall comply with the requirements of subsection (1) and shall indicate on the affidavit that he or she is the surviving spouse of a disabled veteran entitled to the exemption under this section. The exemption shall continue as long as the surviving spouse remains unremarried.

## **How To Apply for The Disabled Veterans Exemption**

To request the exemption, the disabled veteran (or unremarried surviving spouse) must annually file Form 5107 *Affidavit for Disabled Veterans Exemption*. The disabled veteran must have been honorably discharged from the United States Armed Forces and be a resident of the State of Michigan and own and occupy the residence as a homestead. Only the homestead parcel is eligible; contiguous parcels cannot receive the exemption.

Forms 5107, along with any additional documentation, must be filed with the local assessing unit in the city or township where the property is located. **Do not file with the Department of Treasury or the State Tax Commission.** Form 5107 may be submitted to the local assessing unit on or after January 1 but before the day prior to the last day of the December Board of Review during the year in which the exemption is requested.

Taxpayers should contact the local assessing unit directly to verify deadline dates for submission of the forms to ensure the application gets reviewed by a Board of Review during that calendar year.

The disabled veteran (or unremarried surviving spouse) must include with Form 5107 some type of official benefits notice or other documentation from the U.S. Department of Veterans Affairs. A letter from the County Department of Veterans Affairs indicating they have reviewed their records and the veteran qualifies is not sufficient. The documentation from the U.S. Department of Veterans Affairs should contain information that details that the disabled veteran meets one or more of the criteria required in MCL 211.7b:

- a) Has been determined by the United States Department of Veterans Affairs to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
- b) Has a certificate from the United States Veterans' Administration, or its successors, certifying that he or she is receiving or has received pecuniary assistance due to disability for specially adapted housing.
- c) Has been rated by the United States Department of Veterans Affairs as individually unemployable.

### **Totally disabled as a result of military service and entitled to veterans benefits at the 100% rate**

The Veterans Administration defines a service-connected disability as a disability related to an injury or disease that developed during or was aggravated while on active duty or active duty for training. The Veterans Administration Schedule for Rating Disabilities is used to assess the medical conditions and illnesses incurred or aggravated during the veteran's military service and a percentage rating from 0% to 100% is assigned based on the severity of the disability.

Individuals filing the affidavit for the exemption under criteria a) must provide a copy of the letter from the Veterans' Administration indicating they have a 100% service-connected disability and are entitled to receive benefits.

Note: The Act does not require the disabled veteran to have already received the benefit, it only requires that they have been determined to be permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

### **Assistance for specially adapted housing**

The Veterans' Administration provides veterans with certain permanent and total service-connected disabilities financial assistance to purchase or construct an adapted home or modify an existing home to accommodate a disability. There are two grant programs: specially adapted housing grant (SAH) and the special housing adaptation grant (SHA).

The State Tax Commission has determined that receipt of either grant would qualify an individual for the exemption under criteria b).

Individuals filing the affidavit for the exemption under criteria b) must provide a copy of the certificate from the Veterans' Administration indicating they are receiving or have received pecuniary assistance due to disability for specially adapted housing.

### **Individually unemployable**

Individual unemployability is part of the Veterans' Administration disability compensation program. Under this program, veterans may receive compensation at the 100% rate even though their service-connected disability is not rated at 100%.

The Veterans Administration determines eligibility; to be eligible a veteran must prove they are unable to maintain substantially gainful employment because of their service-connected disability. In addition, they must have one service-connected disability rated at 60% or more or two or more service-connected disabilities with at least one rated at 40% or more with a combined rating of 70% or more.

Individuals filing the affidavit for the exemption under criteria c) must provide a copy of the letter from the Veterans' Administration indicating they are individually unemployable.

### **Board of Review Authorities and Responsibilities**

Disabled Veteran Exemption applications can be heard at the March, July, or December Board of Review. Except as otherwise provided in MCL 211.53b, there can only be **one** Board of Review decision for a specific calendar year; a subsequent Board of Review cannot reconsider a decision already made that year. For example: if an application is denied at the March Board of Review, it may not be reheard by the July or December Board of Review during the same calendar year. The taxpayer must file an appeal of the Board of Review decision to the Michigan Tax Tribunal.

As a reminder, a person who files a claim for the exemption is not prohibited from also appealing the assessment on the same property in the same year.

## **Qualified Error at July or December Board of Review**

The July and December Boards of Review, under MCL 211.53b, have the authority to grant a disabled veteran's exemption for the current year and the immediately preceding year as a qualified error:

- i) An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse that causes a denial of an exemption under section 7b. An issue beyond the control of a disabled veteran or his or her unremarried surviving spouse means an error made by the local tax collecting unit in the processing of a timely filed exemption affidavit or a delay in the determination by the United States Department of Veterans Affairs that a veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.

## **Appeal Rights**

An appeal of a decision of the March Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year.

A decision of the July or December Board of Review may be appealed by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's decision. More information on how to file an appeal is available by contacting the Michigan Tax Tribunal. Information can also be viewed on the Michigan Tax Tribunal's website at <https://www.michigan.gov/taxtribunal>.

## **Additional Information**

Additional information, including the State Tax Commission's *Disabled Veterans Exemption Frequently Asked Questions* is available on the State Tax Commission website under the [Disabled Veterans Exemption Information](#) link.

State Tax Commission contact information:

Website: [www.michigan.gov/statetaxcommission](http://www.michigan.gov/statetaxcommission)

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