

## **BILL ANALYSIS**

H.B. 358  
By: McReynolds  
Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

There is a discrepancy between the Veterans Administration (VA) disability ratings system and Chapter 11.22 of the Texas Tax Code, pertaining to property tax exemptions for disabled veterans. Under the current code, there are four different levels of tax exemption based on disability rating ranges of 10%-30%, 31%-50%, 51%-70%, and 71% and over. This creates an inconsistency compared to how the VA determines a veteran's actual disability rating. The VA first develops a number representing their true level of disability. However, the VA then rounds this number to the nearest multiple of ten, with a numbers ending in a 5 or higher being rounded up and numbers ending in a 4 or lower being rounded down. This final number is the only number used as a veteran's disability rating. For example, if a veteran is determined to be 35% disabled, they would receive a disability rating of "40", however if they are determined to be 34% disabled, their disability rating would be a "30".

This has lead to frustration for veterans who notice that they are in a lower category than what their initial, true rating would allow for due to that number being rounded down. HB 358 would allow Texans to receive the full property tax exemptions for which they are qualified based on their true levels of disability.

### **RULEMAKING AUTHORITY**

This bill does not delegate additional authority to a state, officer, department, agency, or institution.

### **ANALYSIS**

Amends Section 11.22 (a) of the Tax Code by changing the \$5,000 exemption range from 10%-30% to 10%-29%, changing the \$7,500 exemption range from 31%-50% to 30%-49%, changing the \$10,000 exemption range from 51%-70% to 50%-69%, and changing the \$12,000 exemption range from 71% and over to 70% and over.

This Act takes effect January 1, 2008, but only if the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007 is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

### **EFFECTIVE DATE**

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