

Amendment G: Modify Property Tax Exemption for Veterans with Disabilities

Placed on the ballot by the legislature • Passes with 55 percent of the vote

1 **Amendment G proposes amending the Colorado Constitution to:**

- 2 • reduce property taxes for some veterans of the U.S. Armed Forces with a
3 disability.

4 **What Your Vote Means**

5 **YES**

6 A “yes” vote on Amendment G reduces
7 the property taxes paid by some veteran
8 homeowners by expanding the existing
9 homestead exemption to include veterans
10 whose disability is rated as making them
11 unemployable.

12 **NO**

13 A “no” vote on Amendment G means that
14 existing requirements to receive the
15 homestead exemption remain in place,
16 and it continues to be available to
17 veterans whose disability is rated as 100
18 percent permanent and total.

19 **Summary and Analysis of Amendment G**

20 **What is the current homestead exemption?**

21 The homestead exemption in the state constitution reduces property taxes owed on a
22 qualifying homeowner’s primary residence by exempting 50 percent of the first \$200,000 of
23 the home’s value from taxation.

24 Qualifying homeowners include: Coloradans aged 65 or over who have lived in their home
25 for at least ten years; veterans with a service-connected disability rated 100 percent
26 permanent and total by the federal government; and surviving spouses, also known as Gold
27 Star spouses, of U.S. Armed Forces service members who died in the line of duty and of
28 veterans whose death resulted from a service-related injury or disease.

29 The homestead exemption reduces property taxes collected by counties and paid to local
30 governments. The state reimburses the local governments for all revenue lost as a result of
31 the exemption.

32 **Who qualifies for the homestead exemption under the measure?**

33 Amendment G extends the homestead exemption, currently available for veterans with a
34 disability rated 100 percent permanent and total, to veterans who have qualified for the
35 Total Disability Individual Unemployability (TDIU) rating as determined by the U.S.

1 Department of Veterans Affairs. The 100 percent permanent and total disability rating is
 2 based on physical or medical service-related injuries or illnesses and is a medical
 3 determination, unrelated to whether a person can be employed. In order to qualify for the
 4 TDIU rating, a veteran must be unable to work a steady job that supports them financially
 5 because of a service-connected disability. In most cases, a veteran must also have at least
 6 one service-connected disability rated at 60 percent or more disabling, or have two or more
 7 service-connected disabilities, with at least one rated at 40 percent or more disabling and a
 8 combined rating of 70 percent or more. The TDIU rating allows a veteran to receive federal
 9 disability benefits equal to what a veteran with a 100 percent disability rating receives.

10 An estimated 3,700 veterans in Colorado who are not otherwise able to claim the homestead
 11 exemption would be eligible for the exemption under this amendment in property tax year
 12 2025.

13 **How does the homestead exemption reduce a homeowner’s property tax bill?**

14 Table 1 provides examples of how the homestead exemption reduces property taxes based
 15 on an average 2023 property tax rate and the current exemption level. The actual tax
 16 reductions will vary depending on the statewide residential assessment rate, the home value,
 17 and local property tax rates set by local governments.

18 In 2023, about 285,000 seniors claimed homestead exemptions, with an average tax
 19 reduction of \$540, and about 12,000 veterans and Gold Star spouses claimed homestead
 20 exemptions, with an average tax reduction of \$590.

21 **Table 1**
 22 **Examples of Homeowner Savings from the Homestead Exemption**

Home Value	Average Taxes without Homestead Exemption	Average Taxes with Homestead Exemption	Average Tax Reduction
\$150,000	\$890	\$445	\$445
\$250,000	\$1,480	\$890	\$590
\$500,000	\$2,950	\$2,360	\$590
\$1,000,000	\$5,900	\$5,310	\$590

23

For information on those issue committees that support or oppose the measures on the ballot at the November 5, 2024, election, go to the Colorado Secretary of State’s elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

24 **Argument For Amendment G**

25 1) Veterans who are unable to hold a steady job need property tax relief as much or more
 26 than other veterans who currently qualify for the homestead exemption and are still able

1 to work. Including veterans with a TDIU rating in the homestead exemption helps ensure
2 that those in need receive tax relief.

3 **Argument Against Amendment G**

4 1) The TDIU rating is not necessarily permanent. Expanding this exemption will make
5 property taxes more complicated, harder to administer fairly, and reliant on
6 determinations by the U.S. Department of Veterans Affairs that are subject to change.

7 **Fiscal Impact**

8 **State and local spending.** Amendment G will increase state spending by \$1.8 million in
9 state budget year 2025-26, and similar amounts in future years, to reimburse local
10 governments for lost property tax collections under the measure. With this state
11 reimbursement, money available for local spending will be unchanged.