
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Frequently Asked Questions

Veterans' Deductions

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1. Are veterans eligible for veteran-specific property tax deductions in Indiana?

Yes, if they meet certain statutory requirements. Indiana property tax law provides for several different property tax-related deductions. Currently, these include varying levels of deduction amounts, eligibility requirements, and assessed value thresholds. Additionally, any unused portion of the deduction may be applied to personal property taxes and then to excise taxes for either a motor vehicle (Ind. Code § 6-6-5-5.2) or an aircraft (Ind. Code § 6-6-6.5-13).

2. What assessed value reduction will a veteran receive from a veteran's deduction?

By statute, the legislature has designated various levels of assessed value reductions, depending upon the specific circumstances of the veteran. These include:

\$24,960—Service-Connected Disability (Ind. Code § 6-1.1-12-13)

- **Example:** The veteran served in the military and was injured on duty. He or she provides the statutorily required paperwork from the U.S. Department of Veterans' Affairs or the Indiana Department of Veterans' Affairs that the veteran is 10% or more disabled and qualifies for the deduction.
- **Example:** The veteran served on active duty and suffers from mental health issues as a result, which are documented as required by the statute. He or she qualifies by submitting the required paperwork stating that he or she is 10% or more disabled.

\$14,000---Disability for Non-Service-Related Reasons (Ind. Code § 6-1.1-12-14)

- **Example:** The veteran was injured while driving home from the grocery store after retirement from the military. The injury has nothing to do with the military service. He qualifies for the \$14,000 deduction if the other statutory requirements are met. (Age 62 and 10% or more disabled or no age limit and 100% disabled; Assessed Value threshold of \$200,000.)
- **Example:** A veteran working on his roof at home fell from a ladder, injuring himself. If he meets the statutory requirements, he is entitled to the \$14,000 deduction. (Age

62 and 10% or more disabled or totally disabled with no age requirement; Assessed Value threshold of \$200,000.)

Various Levels of Deductions: A homestead was donated to the veteran by a nonprofit organization such as Habitat for Humanity. If the veteran is at least 50% disabled for any reason (service or non-service connected), the veteran is eligible for corresponding deductions. (Ind. Code § 6-1.1-12-14.5)

- 50% disabled = 50% deduction on the homestead property
- 60% disabled = 60% deduction on the homestead property (up to 100% disability)

3. Sam is a veteran aged 63 and has a disability of at least 10% not related to military service. Does he qualify for a veteran's deduction?

Yes. If otherwise qualified, he should receive a deduction of \$14,000 from the assessed value of his property. The property must also not exceed an assessed value of \$200,000 to qualify. (Ind. Code § 6-1.1-12-14)

4. John was injured with a 10% disability while serving in the military and is over age 62. Should the assessing official add the two veterans' deductions together? (\$24,960 plus \$14,000) (Ind. Code § 6-1.1-12-13 & Ind. Code § 6-1.1-12-14)

No. Apply the higher deduction but don't combine the deductions because the language in these specific deductions bars them from being combined for one veteran.

5. Sally, a veteran, is more than 10% disabled after being injured during military service. In addition to the service-connected deduction under Ind. Code § 6-1.1-12-13, should she also receive the homestead deduction (and supplemental homestead) on her property?

Yes. If Sally otherwise qualifies for the homestead deduction, the assessed value should be reduced by the homestead deduction under Ind. Code § 6-1.1-12-37 and the supplemental homestead in Ind. Code § 6-1.1-12-37.5, and the veteran's deduction under Ind. Code § 6-1.1-12-13. This is true also for the non-service-connected disability deduction under Ind. Code § 6-1.1-12-14.

6. Matt is 100% disabled and is eligible for the non-service-connected veteran's deduction of \$14,000. (He was injured in a car accident unrelated to military service). Is he also eligible for the blind and disabled deduction under Ind. Code § 6-1.1-12-11?

Yes. Indiana Code § 6-1.1-12-11 contains no language that prohibits a veteran who qualifies for the veterans' deductions from also receiving the blind and disabled deduction.

7. Mark, a veteran, owns a mobile or manufactured home. If he meets other requirements under the veterans' deductions, is the property eligible?

Yes. Mobile and manufactured homes are eligible properties. If the mobile or manufactured home is annually assessed (not as real property) then the total deductions may not reduce the assessed value to less than half of the assessed value. (Ind. Code § 6-1.1-12-41.)

8. A veteran served in the military during a war and has a service-connected disability of 10% or more. For which deductions does he qualify?

Indiana Code § 6-1.1-12-13 provides that if a veteran otherwise qualifies, he should receive a deduction of \$24,960 from the property's assessed value. There is no threshold limit to the value of the property. (For example, the property could have an assessed value of \$175,000, \$300,000, or \$500,000.)

9. As a totally disabled veteran from a non-service-related injury, for what veteran's property tax deduction does a person qualify?

Indiana Code § 6-1.1-12-14 provides that if a veteran is totally disabled at any age, he or she should receive a deduction of \$14,000 if the person otherwise qualifies. The veteran may have become disabled outside of military service. The assessed value of the property may not exceed \$200,000.

10. Habitat for Humanity, a nonprofit organization, donated a home to a veteran. What property tax benefits does he qualify for as related to his homestead?

If a person is 50% disabled or more, the veteran is eligible for a correlating deduction. For example, if he is 60% disabled, he would receive a 60% deduction from the assessed value, up to 100%. (Ind. Code § 6-1.1-12-14.5.)

11. A veteran is over 62 and is not disabled. Are any veterans' deductions available to him or her?

No.

12. Can a spouse claim any of the veteran's deductions if the veteran passes away?

Yes. A spouse is eligible for the veteran's deduction if the person meets the statutory requirements under Ind. Code § 6-1.1-12-16 and Ind. Code § 6-1.1-12-17.

13. Is a child eligible to receive a veteran parent's deduction that the parent had while living?

No. The Indiana statutes do not allow a child to directly claim a veteran's deduction.

14. A veterans' organization constructed and gave a disabled veteran a homestead. (The veteran was 50% or more disabled.) When the veteran passes away, can the spouse continue to receive the correlating veteran's deduction?

Yes. Indiana Code § 6-1.1-12-15, 16, and 17 provide this statutory allowance.

15. With the same fact pattern as question 14, can the veteran's child receive the homestead deductions when he or she inherits the property after the veteran's death?

No. This is not contemplated in statute.

16. I want to read all of the veterans' deduction-related statutes. What are those statutory code citations?

IC 6-1.1-12-13	Deduction for Veteran with Partial Disability (Service-Connected)
IC 6-1.1-12-14	Deduction for Totally Disabled Veteran or Veteran Age 62 & Partially Disabled (Non-Service-Connected)
IC 6-1.1-12-14.5	Deduction for Disabled Veteran; Homestead Conveyed without Consideration; Nonprofit Organization
IC 6-1.1-12-15	Claim by Veteran; Guardianship; Contract Purchaser
IC 6-1.1-12-16	Deduction for Surviving Spouse of Veteran; Limitations; Contract Purchaser
IC 6-1.1-37-4	False Claim for Veteran's Property Tax Deduction
IC 6-6-5-5	Amount of Tax Credit Against Tax
IC 6-6-5-5.2	Credit for Certain Veterans Who Are Not Eligible for a Property Tax Deduction
IC 6-6-6.5-13	Classification of Aircraft; Tax Rate; Credits

17. A veteran aged 67 qualifies for the service-connected veteran's deduction. He has the homestead deduction and also qualifies for the over-65 deduction and circuit breaker credit. Can he receive all of them?

No. His homestead property should receive the homestead deduction, and either the veteran's deduction or the over-65 deduction, whichever is higher and more advantageous for the taxpayer. The over-65 deduction statute (Ind. Code § 6-1.1-12-9) prohibits a person from receiving any other deduction except the homestead.

18. A veteran does not own any real property. Are there any property-related deductions available?

Yes. In this instance, if the veteran qualifies, he or she may receive credit for excise tax on a vehicle. This is detailed under Ind. Code § 6-6-5-5.2 and Ind. Code § 6-6-5-5.

19. Sam and Sally are married. Both are veterans. Individually they both qualify for a veteran's deduction under Ind. Code § 6-1.1-12-13 or Ind. Code § 6-1.1-12-14. Can they both receive a veteran's deduction on the same property?

Yes. The deduction follows the person, not the property.