



**FULFILLING OUR PROMISES**  
TO THE MEN AND WOMEN WHO SERVED

## Department of Wisconsin

**STATEMENT FOR THE RECORD  
AL LABELLE  
DAV BENEFITS PROTECTION TEAM LEADER  
DEPARTMENT OF WISCONSIN  
BEFORE THE  
COMMITTEE ON AGRICULTURE, REVENUE, AND FINANCIAL INSTITUTIONALS  
WISCONSIN STATE SENATE  
OCTOBER 10, 2019**

Chairman Marklein, Vice Chair Petrowski, Ranking Member Smith, and Members of the Committee:

Good morning! Thank you for allowing DAV (Disabled American Veterans) this opportunity to present our view on Senate Bill 116 (SB 116) 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 1 million wartime service-disabled veterans, nationwide. In Wisconsin, we have approximately 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-five percent (85%) 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

For the record, IL SB 107 is not capped as has been stated by some Wisconsin legislators.

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 SB 116, 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 SB 116, 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, Sen. Jacque for introducing SB 116 and thank you, Chairman Marklein for being a sponsor. DAV appreciates you, Chairman Marklein, holding this hearing on SB 116 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 veterans<sup>1</sup>. 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 SB 116. 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 SB 116 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 to this situation. As an ancillary benefit, the graduation of the Veterans and Surviving Spouses Property Tax Credit may prove to be an inducement for younger transitioning veterans seeking employment to move to the state.

Pursuant to our Resolution 2018-51, DAV Wisconsin strongly supports SB 116 as written 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.

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<sup>1</sup> 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



October 10, 2019

**Chairman Marklein, Vice-Chair Petrowski and other Honorable Members of the Senate Committee on Agriculture, Revenue and Financial Institutions:**

The Veterans of Foreign Wars-Department of Wisconsin supports SB 116-reducing the eligibility threshold to claim the veterans and surviving spouses' property tax credit.

As has been mentioned, my name is Jason Dean. I am a Marine, and Purple Heart recipient who served two tours of duty in Iraq. I am proud to now serve as a member of the VFW's state legislative committee and with me today I have Mike Furgal, fellow Marine and a Vietnam veteran who is the chairman of the VFW's state legislative committee. We appreciate the opportunity to appear before you today and speak in favor of this very important piece of legislation.

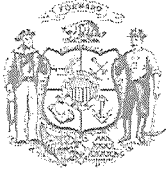
Since September 11, 2001 the United States has been at a constant state of war around the globe. At no other time in our country's history have we seen such a non-stop state of military readiness and prolonged period of engagement with the enemy. As such, it only stands to reason that we have also seen the highest number of PTSD, TBI, Moral and other "unseen" injuries reach near record diagnosis and awards of disability compensation in the federal VA system. Many of these brave men and women are 70-90% service-connected rated, me included, but can still physically work and/or are too proud to seek "unemployability" status. Make no mistake though, these veterans' ability to work, as well as in what careers, is severely diminished. This disadvantage is directly related to their selfless sacrifice for their country and state therefore it is only fitting that this legislature assist them in overcoming this disadvantage in every way it can. SB 116 creates a mechanism for the state to tell these veterans "we recognize and appreciate the sacrifice you have made for all of us, thank you."

The VFW is aware of the high fiscal note attached to SB 116 but has questions as to how the Legislative Fiscal Bureau calculated this fiscal impact? Did it assume that every veteran who is 70, 80 or 90% service connected owns a residential home and is currently paying property taxes? We do not know the exact number ourselves, but it is reasonable to say that a significant number of these veterans (or their surviving spouses) do not own a home or are in an elderly care facility. What were the assessment numbers that LFB utilized to determine what amount of property tax these veterans are currently paying? As we know, the rates vary significantly depending on where one resides in the state. Let's assume for the sake of argument that the calculations utilized were in fact an accurate reflection of the estimated fiscal impact on the state, but then ask yourself "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 work so hard to provide for. If this legislature can provide tax credits and personal property tax exemptions to manufacturers and businesses, it can certainly find the revenue to properly take care of our veterans.

**VFW DEPARTMENT OF WISCONSIN**

In many ways, Wisconsin is hands down a leader in the country when it comes to taking care of its veterans and we are grateful for that. But when it comes to property tax relief we are in the middle or below what other states do across the nation. And when it comes to the upper Midwest and our neighboring states, we are woefully lacking. **Iowa** offers a property tax exemption of almost \$2,000 simply for serving in the military 18 months or more. **Minnesota** provides 100% property tax exemption for 70% or more (up to \$150K of assessed value). **Illinois**, a state that I can safely say no one in this room wants to have doing something better than Wisconsin, offers a \$2,500 exemption for those veterans who are 30-50% service connected disabled, \$5,000 for 50-70%, and for those veterans who are 70% or greater they are fully exempt from paying any property taxes. We hope you agree that Wisconsin should always be out at the forefront on taking care of our veterans and pass SB 116 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 VFW State Commander Donald Lynch and our 27,000 members statewide, we wish to thank the authors of this bill, Senator Jacque and Representative Edming and urge you to join them in making SB 116 law and providing a vital financial assistance tool for the veterans of our great state who have earned it the hard way.



# ANDRÉ JACQUE

STATE SENATOR • 1<sup>ST</sup> SENATE DISTRICT

Phone: (608) 266-3512

Fax: (608) 282-3541

Sen.Jacque@legis.wi.gov

State Capitol • P.O. Box 7882  
Madison, WI 53707-7882

*Testimony before the Senate Committee on Agriculture, Revenue and Financial Institutions  
State Senator André Jacque  
October 10, 2019*

Chairman Marklein and Committee Members,

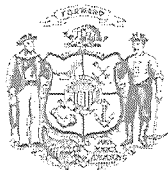
Thank you for holding this hearing and the opportunity to testify before you today in support of Senate Bill 116, bi-partisan legislation which will expand eligibility for veterans with very significant, service connected disabilities and their unremarried surviving spouses to be able to claim the Wisconsin 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 SB 116, 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 SB 116.

According to the Department of Revenue, this legislation would be expected to increase the number of claimants of the credit by approximately 5,402 disabled veterans. While it is true that under SB 116 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 their homes, dealing with being underemployed or unemployable as a result of their disability, and frequently dealing with a loss of household



# ANDRÉ JACQUE

STATE SENATOR • 1<sup>ST</sup> SENATE DISTRICT

Phone: (608) 266-3512

Fax: (608) 282-3541

Sen.Jacque@legis.wi.gov

State Capitol - P.O. Box 7882

Madison, WI 53707-7882

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 Senate Bill 116.



## THE AMERICAN LEGION DEPARTMENT OF WISCONSIN

October 8, 2019

Chairman and members of the committee, I wish to thank you for holding this hearing. I would also like to thank the authors of the bill and all of those who added their names to it as supporters.

The American Legion is the largest Veterans Service Organization in the Nation. In Wisconsin we have over 50,000 members. We were founded on four pillars, one of which is Veterans and Rehabilitation. We have just over a century of advocating for veterans.

The American Legion, Department of Wisconsin supports the adoption of Senate Bill 116 and its companion bill, Assembly Bill 88. This proposal will help keep disabled veterans in their homes. This is especially true in those areas of the state which have high property values and low incomes when compared to the remainder of the state.

The fiscal report attached to the bill estimates that another 9,797 veterans will qualify for this tax credit. Based on experience, this will result in approximately 6,697 new recipients. Using data from the United States Veterans Administration, 52% or 3,500 of the new recipients will be over the age of 65. When you examine the ages of Wisconsin veterans and the war era they served in, it appears that the number of recipients will decline over time.

The Department does not want to ignore the cost to the people of Wisconsin (14 million dollars in 2020). However, that said, we must consider the impact on these veterans and their families. The average tax credit is \$3,000. That makes a big difference to each of these families.

When the nation and people of Wisconsin called these men and women to serve they signed a blank check. The people cashed that check and the veterans surrendered their limbs, their minds, and whatever else was demanded to satisfy the check.

Very Respectfully,

Paul Fisk, Legislative Chairman  
The American Legion, Department of Wisconsin





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# JAMES W. EDMING

STATE REPRESENTATIVE • 87<sup>TH</sup> ASSEMBLY DISTRICT

## **Testimony in Support of Senate Bill 116**

*Senate Committee on Agriculture, Revenue and Financial Institutions*

Thursday, October 10, 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 Senate Bill (SB) 116. 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%. SB 116 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 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 SB 116 and thank you again for the opportunity to testify before you today.