A.C.A. § 26-3-306

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Title 26 Taxation
Subtitle 1. General Provisions
Chapter 3 Property Subject To Taxation And Exemptions
Subchapter 3 -- Exemptions from Taxation

A.C.A. § 26-3-306 (2016)

26-3-306. Disabled veterans, surviving spouses, and minor dependent children.

(a) (1) (A) (i) A disabled veteran who has been awarded special monthly compensation by the Department of Veterans Affairs for the loss of, or the loss of use of, one (1) or more limbs, for total blindness in one (1) or both eyes, or for service-connected one hundred percent (100%) total and permanent disability shall be exempt from payment of all state taxes on the homestead and personal property owned by the disabled veteran.

(ii) ***(a)*** If a disabled veteran sells his or her home, the exemption shall be prorated to the date of sale so that the disabled veteran owes no tax for the portion of the year he or she claimed the home as a homestead, and the purchaser is liable only for taxes relating to the balance of the year.

(b) If a disabled veteran purchases a home that qualifies as a homestead, the exemption shall be prorated to the date of sale so that the disabled veteran owes no tax for the portion of the year he or she claimed the home as a homestead, and the seller is liable only for the taxes relating to the balance of the year.

(c) Upon request by the disabled veteran, the county collector shall make such record entries as may be necessary to effect the proration.

(B) (i) Upon the death of the disabled veteran, the surviving spouse and minor dependent children of the disabled veteran shall be exempt from payment of all state taxes on the homestead and personal property owned by the surviving spouse and minor dependent children of the deceased disabled veteran.

(ii) The surviving spouse and minor dependent children of a member of the United States Armed Forces who was killed while within the scope of his or her military duties, who died while within the scope of his or her military duties, or who is missing in action and the surviving spouse and minor dependent children of a veteran who died from service-connected causes, as certified by the department, shall also be exempt from payment of all state taxes on the homestead and personal property owned by the surviving spouse and minor dependent children.

(iii) ***(a)*** The surviving spouse shall be entitled to the exemption provided for in this section so long as the surviving spouse remains unmarried.

(b) The surviving spouse's exemptions provided for in this section are reinstated upon the termination of the surviving spouse's subsequent marriage.

(iv) A surviving spouse of a member of the United States Armed Forces who died while on active duty shall be eligible for reinstatement of the homestead and personal property tax exemption upon termination of a subsequent marriage and until the surviving spouse remarries.

(v) The exemption provided in this section for surviving minor dependent children shall be available to the surviving children during their minority.

(2) As used in this section, "personal property" means only those items of tangible personal property used for other than a commercial or business purpose.

(b) (1) (A) A disabled veteran eligible for the exemption provided for in this section and desiring to claim an exemption shall furnish to the county collector a letter from the department verifying the fact that the disabled veteran is in receipt of special monthly compensation for the loss of or the loss of use of one (1) or more limbs, total blindness in one (1) or both eyes, or for service-connected one hundred percent (100%) total and permanent disability.

(B) (i) A surviving spouse or minor dependent child of a deceased disabled veteran desiring to claim the exemption provided in this section shall furnish the county collector a letter from the department verifying the fact that the deceased disabled veteran was at the time of death entitled to receive a special monthly compensation for the loss of or the loss of use of one (1) or more limbs, total blindness in one (1) or both eyes, or for service-connected one hundred percent (100%) total and permanent disability.

(ii) In addition to the requirements in subdivision (b)(1)(B)(i) of this section, the surviving spouse or minor dependent child of the deceased disabled veteran shall furnish the county collector with an affidavit signed by the surviving spouse or minor dependent child stating that the surviving spouse or minor dependent child is a surviving spouse or minor dependent child of the named deceased disabled veteran.

(2) (A) The surviving spouse or minor dependent children of a member of the United States Armed Forces who was killed while within the scope of his or her military duties, who died while within the scope of his or her military duties, or who is missing in action, or a surviving spouse or minor dependent children of a veteran who died of service-connected causes, as certified by the department, desiring to claim the exemption provided in this section shall furnish the county collector a letter from the department certifying the fact that such a member of the United States Armed Forces is missing in action, was killed while within the scope of his or her military duties, or died while within the scope of his or her military duties or that the veteran died from service-connected causes and the surviving spouse is or would be entitled to department benefits in the form of death indemnity compensation if the surviving spouse were otherwise eligible to receive the department benefits.

(B) In addition, the surviving spouse or minor dependent child shall furnish the county collector with an affidavit signed by the surviving spouse or minor dependent child or the surviving spouse or minor dependent child's guardian stating that the surviving spouse or minor dependent child is a surviving spouse or minor dependent child of the member of the United States Armed Forces who is missing in action, who was killed while within the scope of his or her military duties, or who died while within the scope of his or her military duties or is the surviving spouse or minor dependent child of a veteran who died of service-connected causes as certified by the department.

(c) Only a disabled veteran and a surviving spouse and minor dependent child of a disabled veteran who are citizens and residents of the State of Arkansas shall be eligible for the exemption provided in this section.

(d) Any person evading or violating any provision of this section or attempting to secure benefits under this section to which he or she is not entitled shall be guilty of a violation and upon conviction shall be fined in any sum not less than one hundred dollars ($100) nor more than one thousand dollars ($1,000).

(e) A person claiming the property tax exemption authorized by this section shall not be entitled to claim the property tax credit authorized in § 26-26-1118.

(f) (1) If a person has established eligibility for the property tax exemption created under this section, the person shall be exempt from the date the person's eligibility is established regardless of the date the lien for the property taxes attached.

(2) After a person has established eligibility for the property tax exemption created under this section, the person is exempt from property taxes on his or her homestead regardless of where the homestead is located in the state.

(3) Upon request by a county in which a person eligible for the property tax exemption created under this section is claiming an exemption for his or her homestead, a county collector shall provide the information or documentation necessary to demonstrate that the person established eligibility for the exemption created under this section in a county in which the person previously claimed a homestead.

HISTORY: Acts 1953, No. 363, §§ 1-4; 1975, No. 196, §§ 1, 2; 1975, No. 319, §§ 1-3; 1975 (Extended Sess., 1976), No. 1220, §§ 1-3; 1977, No. 47, §§ 1, 2; A.S.A. 1947, §§ 84-209 -- 84-212; reen. Acts 1987, No. 1010, §§ 1-3; Acts 1989, No. 354, § 1; 2001, No. 361, § 1; 2001, No. 1544, § 1; 2005, No. 1994, § 164; 2007, No. 411, § 1; 2015, No. 1167, §§ 1, 2.

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