

**ORDINANCE NO: 2017-57**

WHEREAS the State of Tennessee has a Tax Relief Program which is codified at Tennessee Code Annotated 67-5-701 through 67-5-704; and

WHEREAS, Tennessee Code Annotated 67-5-701(j)(1) and (2) provide:

"(j)(1) The legislative bodies of counties, municipalities and metropolitan forms of government may, by act of the local legislative body, provide for the appropriation of funds for tax relief for elderly low-income homeowners as described in § 67-5-702, for disabled homeowners as described in § 67-5-703, and for disabled veterans as described in § 67-5-704; provided, that in no event shall the total relief allowed by the state and counties, municipalities or metropolitan forms of government exceed the total taxes actually paid.

(2) The ordinance authorized by subdivision (j)(1) shall include provisions that only those taxpayers who qualify under §§ 67-5-702 - 67-5-704 are eligible for such additional tax relief, and that the eligible taxpayers shall have previously applied for and obtained the relief authorized by § 67-5-702, § 67-5-703 or § 67-5-704"; and

WHEREAS, the City Council desires to pass this Ordinance to provide for the appropriation of City funds to supplement the amount of the tax relief that these eligible persons would receive from the State of Tennessee.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cleveland, Tennessee, in regular session assembled, that:

SECTION 1. Cleveland Municipal Code, Title 5, Chapter 2, is hereby amended by adding the following new section:

Section 5-205. Tax Relief

Pursuant to the authority granted by Tennessee Code Annotated 67-5-701(j)(1), the City of Cleveland hereby appropriates public funds for the purpose of providing additional tax relief for those persons who qualify to receive tax relief from the State of Tennessee under the State of Tennessee's tax relief program.

Elderly low-income homeowners as described in Tennessee Code Annotated 67-5-702, disabled homeowners as described in Tennessee Code Annotated 67-5-703, and disabled veterans as described in Tennessee Code Annotated 67-5-704 will be eligible to receive additional tax relief from the City of Cleveland in an amount equal to the amount of tax relief provided by the State; provided, however, that in no event shall the total amount of tax relief allowed by the State and the City exceed the total taxes actually paid.

Only those taxpayers who qualify under Tennessee Code Annotated 67-5-702 through Tennessee Code Annotated 67-5-704 are eligible for such additional tax relief from the City, these eligible taxpayers must have previously applied for and obtained the relief authorized by Tennessee Code Annotated 67-5-702, or 67-5-703 or 67-5-704 in order to be eligible to receive this additional tax relief from the City.

Section 2. This Ordinance shall take effect immediately upon passage on final reading, the public welfare requiring it.

APPROVED AS TO FORM:



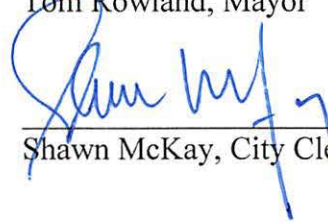
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John F. Kimball, City Attorney



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Tom Rowland, Mayor



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Shawn McKay, City Clerk

## Frequently Asked Questions

### ARE TAX RELIEF RECIPIENTS EXEMPT FROM PAYING PROPERTY TAXES?

No. Tax relief is payment by the State of Tennessee to reimburse homeowners meeting certain eligibility requirements, for a part or all of paid property taxes. Tax Relief is not an exemption. You still receive your tax bill(s) and are responsible for paying your property taxes each year.

### HOW MUCH TAX RELIEF WILL I GET?

The amount varies depending on your property assessment and your county or city tax rate.

### WILL MY TAX RELIEF CHECK BE THE SAME EACH YEAR?

The amount may vary year to year depending on your property assessment and your county or city tax rate.

### CAN I RECEIVE RELIEF ON MORE THAN ONE PROPERTY?

No. You can only receive tax relief on your primary residence in any given tax year.

### WHAT HAPPENS NEXT YEAR IF I AM APPROVED FOR TAX RELIEF?

You will receive a property tax relief voucher when you receive your property tax bill(s). You will need to present the voucher(s) to the collecting official(s) before the deadline date along with payment of any balance due.

### IS A VETERAN BEING RATED 100% SERVICE-CONNECTED THE SAME AS HAVING A TOTAL AND PERMANENT RATING FROM A SERVICE-CONNECTED DISABILITY?

No.

### CAN I RECEIVE TAX RELIEF IF I AM UNABLE TO PROVIDE MY SPOUSE'S INFORMATION/INCOME/SIGNATURE?

No. The income of the applicant's spouse is required to determine eligibility regardless of residency or ownership.

### HOW CAN I GET A MOBILE HOME TITLE IN MY NAME?

A mobile home title is obtained by contacting your County Court Clerk.

## Where Do I Apply?

Contact your county trustee to apply. If your property is within city limits, you may also contact your city collecting official to apply.

## When Do I Apply?

You may apply when you receive your 2017 county and/or city property tax bill. The deadline to apply is 35 days after the city's or county's delinquency date. Taxes must be paid by this time also.

## HAVE QUESTIONS, CONTACT:

COUNTY TRUSTEE'S OFFICE

-OR-

CITY COLLECTING OFFICIAL

## MORE INFORMATION

Visit us on the web

[www.comptroller.tn.gov/pa](http://www.comptroller.tn.gov/pa)

Also from the page, use the link

Tax Relief  
Application Status

to begin a Tax Relief Application Status Search



Comptroller of the Treasury, Division of Property Assessments.  
Authorization No. 307222, 26,000 copies, June 2017. This public document was promulgated at a cost of \$0.05 per copy.

# PROPERTY TAX RELIEF PROGRAM



Elderly Homeowner

Disabled Homeowner

Disabled Veteran  
Homeowner

Spouse (er) of Disabled  
Veteran Homeowner

2017

TENNESSEE  
COMPTROLLER  
OF THE TREASURY

## What Are The Eligibility Requirements?

| ELIGIBILITY REQUIREMENTS   | ELDERLY HOMEOWNER  | DISABLED HOMEOWNER | DISABLED VETERAN HOMEOWNER | WIDOW(ER) OF DISABLED VETERAN HOMEOWNER |
|--|--------------------|--------------------|----------------------------|---|
| MUST BE 65 by 12/31/2017   | YES <sup>(1)</sup> | NO                 | NO                         | NO                                      |
| Must own home & use as primary residence <sup>(2)</sup>                        | YES                | YES                | YES                        | YES                                     |
| Maximum income for applicant, spouse and all owners of property <sup>(3)</sup> | \$29,180           | \$29,180           | Not applicable             | Not applicable                          |
| Maximum market value on which tax relief is calculated                         | \$27,000           | \$27,000           | \$175,000                  | \$175,000                               |
| Must be totally & permanently disabled on or before 12/31/2017                 | NO                 | YES <sup>(4)</sup> | YES <sup>(5)</sup>         | NO <sup>(6)</sup>                       |

- (1) Must provide evidence of age if you do not draw social security or if disability is not through social security.
- (2) Must own and use property on which you apply as your primary residence (proof of residency may be requested). If your residence is a mobile home, a copy of your title or bill of sale is required.
- (3) Annual income from all sources includes, but is not limited to:
- ✓ Social Security (after Medicare is deducted)
  - ✓ Supplemental Security Income (SSI)
  - ✓ Retirement or Pension benefits
  - ✓ Veterans' Administration benefits
  - ✓ Workers' Compensation
  - ✓ Salaries or Wages
  - ✓ Interest or Dividends
- (4) Must have been rated totally and permanently disabled by Social Security Administration or other qualified agency.
- (5) Your disability must meet one of the following categories:
- ✓ A service-connected disability that resulted in:
    - ✓ Paraplegia OR
    - ✓ Permanent paralysis of both legs and lower part of the body resulting from traumatic injury or disease to the spinal cord or brain; OR
    - ✓ Loss, or loss of use of, two (2) or more limbs; OR
    - ✓ Legal blindness
  - ✓ A total and permanent disability rating from a service-connected disability.
  - ✓ A 100% total and permanent disability rating from being a prisoner of war.
  - ✓ Must not have been dishonorably discharged from any armed services.
- (6) Property tax relief shall also be extended to the surviving spouse of a disabled veteran who at the time of the disabled veteran's death was eligible for disabled veterans' property tax relief. If a subsequent amendment to the law would have made the deceased veteran eligible, then property tax relief shall also be extended to the surviving spouse. One of the above categories must be met; OR
- ✓ Death resulting from (1) a service-connected, combat-related cause or (2) KIA (combat-related).
  - ✓ Death resulting from being (1) deployed, (2) away from any home base of training, and (3) in support of combat or peace operations.
- \*Must provide a copy of spouse's death certificate.*
- \*Must provide a form of personal ID such as your social security card, or driver's license.*
- \*Surviving spouse MUST have been married to the veteran at the time of death and NOT have remarried to be eligible.*

## Tax Year 2017 Changes in the Law

- *Elderly or Disabled Applicants - The maximum market value on which tax relief is calculated will be on the first \$27,000 of your primary residence.*
- *Veteran or Widow(er) Applicants - The maximum market value on which tax relief is calculated will be on the first \$175,000 of your primary residence.*

Tenn. Code Ann. § 67-5-701  
(Administrative Provisions-Appropriations)

Tenn. Code Ann. § 67-5-702  
(Elderly Low-Income Homeowners)

Tenn. Code Ann. § 67-5-703  
(Disabled Homeowners)

Tenn. Code Ann. § 67-5-704  
(Disabled Veteran's Residence)



### Elderly/Disabled Homeowner

You may be required to provide documentation such as a copy of your tax return, 1099, W-2, etc. If you are a sole owner within \$100 of the income limit, or a co-owner within \$200 of the income limit, provide documentation.

### Disabled Veteran/ Widow(er) of Disabled Veteran Homeowner

Determination of eligibility for either of these categories will be made based on information provided by the VA through use of consent forms (F-16) for a Disabled Veteran or (F-16S) for a Widow(er) of a Disabled Veteran available at the county trustee's office or the city collecting official's office.

Contact Veterans Affairs at

**1-800-827-1000**

# Tennessee Code Annotated *2017 Supplement*

Updated through the 2017 Regular Session  
of the General Assembly

## Volume 11C

*2013 Replacement*

**THE OFFICIAL TENNESSEE CODE**

Prepared Under the Supervision of the  
Tennessee Code Commission



CHIEF JUSTICE JEFFREY S. BIVINS, CHAIR  
DOUG HIMES  
THE HONORABLE HERBERT SLATERY, III  
JUSTICE CORNELIA A. CLARK  
SUSAN SHORT JONES, ESQ.

**Cumulative pamphlet. Place beside Volume 11C and  
discard the 2016 pamphlet.**



LexisNexis

PART 7

CLASSIFICATION AND ASSESSMENT — TAX RELIEF

67-5-701. Administrative provisions — Appropriations.

(a) The state board of equalization, through the division of property assessments, shall be charged with the implementation of §§ 67-5-702 — 67-5-704, and shall promulgate all necessary rules, regulations and procedures for their implementation.

(b) "Taxpayer" includes any owner of a mobile home whose mobile home is located on land owned by a taxpayer other than the owner of the mobile home. In the event a mobile home owned by a taxpayer is located on land owned by another individual, the assessor of property shall be required to certify to the division of property assessments the assessed value of such mobile home in order that the amount of taxes to be reimbursed to such taxpayer can be computed.

(c) Property tax relief as provided in this part is obtainable by application submitted to the collecting official using a form approved by the state board of equalization. The collecting official shall make a preliminary determination of eligibility and forward the application to the state for final approval. The collecting official may allow the applicant a credit for the projected amount of property tax relief if the applicant appears from the application to be eligible and submits the balance of property taxes due at the time the credit is given. The collecting official may present evidence of the credit in an approved form to the director of the division of property assessments, who shall thereupon authorize payment to the tax jurisdiction of the amount for which the applicant was credited in taxes. If later processing of the application indicates the applicant was ineligible or the credit was otherwise issued in error, the state shall notify the applicant and the collecting official and may recover the erroneous payment from the tax jurisdiction. The amount represented by the erroneous payment shall thereupon become due and payable by the applicant as property taxes, but the taxes shall not accrue delinquency penalty or interest until sixty (60) days from the date of notification to the applicant.

(d)(1) All taxpayers otherwise eligible for tax relief under §§ 67-5-702 — 67-5-704, but who fail to apply for a refund or present a credit voucher for credit on their taxes within thirty-five (35) days from the date taxes in the jurisdiction become delinquent for that year, shall be deemed ineligible for such relief for that tax year. Nothing in this subdivision (d)(1) shall be construed to require the payment of the full amount of taxes by the delinquency date as a condition of eligibility for tax relief.

(2) All applications for refunds or presentments of credit vouchers shall be valid only if received in the office of the division of property assessments by May 5 following the last date such applications or presentments may be made or within thirty (30) days from the deadline established in subdivision (d)(1), whichever is later.

(e)(1) The comptroller of the treasury shall annually estimate the cost of the tax relief program at the current income limit, and shall estimate the annual income limit for eligibility likely to maintain the property tax relief program

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at a constant level of expenditure, and shall provide these estimates to the department of finance and administration as part of the budget preparation process and, at the same time, provide these estimates to the members of the general assembly.

(2) The comptroller of the treasury may provide the department and the general assembly such other information on program costs or limits as may be desirable or necessary.

(3) If the comptroller determines that annual appropriations will be insufficient to permit full payment of claims reflecting the income and value standards established in this part or in the annual appropriations act, the comptroller shall calculate and apply a factor to uniformly adjust individual payments to permit all timely claims to be paid within the limits of the appropriation. Promptly upon making this determination and calculating the appropriate factor, the comptroller shall notify local collecting officials and the commissioner of finance and administration.

(f)(1) Under no condition shall any taxpayer receive tax relief for property taxes paid on more than one (1) place of residence for any tax year.

(2) Tax relief shall be provided to only one (1) recipient for a given property for any tax year, per taxing jurisdiction.

(g)(1) Any taxpayer who willfully provides false information concerning the taxpayer's income or other information relative to eligibility for tax relief shall immediately repay to the state the full amount of any tax relief received as a result of such false information, plus an amount equal to the penalty and interest calculated according to the rates specified in former § 67-1-801(b) [repealed].

(2) Any person who received tax relief payments in error for any tax year or years shall repay the state the amount received in error, but there shall be a bar against collection of such repayments, unless demand is made within two (2) years following the due date for the tax year to which the erroneous payments relate. Such person may reapply and may obtain tax relief for a subsequent tax year; provided, that eligibility is established and such person either pays the full amount of repayment due or applies one half (½) of the tax relief amount for which the person may be eligible to repay the state for amounts received in error until such time as no further repayment is due. The limited liability and right to reapply afforded in this subdivision (g)(2) shall not be available to persons who willfully provide false information concerning eligibility. Repayment shall not be required of a person where the social security administration, the department of human services, the veterans' administration, the railroad retirement board, or some other similar governmental or private entity first determines a person to be eligible for property tax relief but later determines that the person was ineligible.

(h) Other provisions of the law to the contrary notwithstanding, if a taxpayer eligible for tax relief pursuant to § 67-5-702 or § 67-5-703 dies after applying for tax relief or after receiving a voucher, the surviving spouse, and only the surviving spouse, shall be qualified to present to the collecting official the tax relief voucher selected for the deceased and to receive a final payment for the tax year for which the voucher was selected, unless the taxes were paid

prior to the taxpayer's death. If the taxes were paid at the time application was made and prior to the taxpayer's death, either the surviving spouse or any duly appointed personal representative of the decedent may receive the payment.

(i) If a governmental entity acquires an interest in real property that divides a contiguous parcel into two (2) or more noncontiguous parcels, then for tax relief purposes pursuant to §§ 67-5-702 — 67-5-704, such noncontiguous parcels shall be considered to be one (1) contiguous parcel. This section shall apply to any such acquisition creating two (2) or more noncontiguous parcels on or after January 1, 1981.

(j)(1) The legislative bodies of counties, municipalities and metropolitan forms of government may, by act of the local legislative body, provide for the appropriation of funds for tax relief for elderly low-income homeowners as described in § 67-5-702, for disabled homeowners as described in § 67-5-703, and for disabled veterans as described in § 67-5-704; provided, that in no event shall the total relief allowed by the state and counties, municipalities or metropolitan forms of government exceed the total taxes actually paid.

(2) The ordinance authorized by subdivision (j)(1) shall include provisions that only those taxpayers who qualify under §§ 67-5-702 — 67-5-704 are eligible for such additional tax relief, and that the eligible taxpayers shall have previously applied for and obtained the relief authorized by § 67-5-702, § 67-5-703 or § 67-5-704.

(k) The director of the division of property assessments is authorized to waive application of any deadline imposed by this section upon determining that the failure to meet the deadline was excusable for good and reasonable cause as the phrase is used in § 67-1-803. No deadline may be extended hereunder beyond December 31 of the year following the tax year.

(l) Any municipality within that county may, upon ordinance or resolution of the legislative body, enter into a contract with another collecting official within the same county for the purpose of outsourcing the processing of tax relief applications received from taxpayers. The collecting official shall submit such applications and supporting documents to the state for tax relief processing.

(m) Financial records filed for purposes of income verification, including financial information reported on any application, shall be confidential and shall not be subject to inspection under the Tennessee public records law, compiled in title 10, chapter 7, but shall be available to local or state officials who administer, enforce, or audit the tax relief program or requirements under §§ 67-5-701 — 67-5-703.

#### History.

Acts 1973, ch. 226, § 6; 1974, ch. 771, § 10; T.C.A., § 67-648; Acts 1980, ch. 787, §§ 1-3; 1981, ch. 400, § 1; 1983, ch. 127, §§ 3, 4, 6, 7; 1983, ch. 292, § 1; T.C.A., §§ 67-673, 67-675 — 67-678; Acts 1985, ch. 53, § 1; 1988, ch. 522, §§ 1-3; 1995, ch. 166, §§ 1, 2; 1997, ch. 115, § 1; 1999, ch. 110, §§ 1, 2; 2005, ch. 326, § 1; 2006, ch. 739, § 1; 2010, ch. 932, § 1; 2011, ch. 17, §§ 1, 2; 2013, ch. 63, § 1; 2014, ch. 860, § 1; 2015, ch. 226, § 1.

#### Compiler's Notes.

Pursuant to Article III, Section 18 of the Constitution of Tennessee, Acts 2014, ch. 860 took effect on April 29, 2014.

Acts 2014, ch. 860, § 2 provided that this act, which added subdivision (e)(3), shall apply to claims for the 2014 tax year and thereafter.

#### Amendments.

The 2014 amendment added (e)(3).

The 2015 amendment added “, per taxing



jurisdiction" at the end of (f)(2).

the Compiler's Note.]

Acts 2015, ch. 226, § 2, April 20, 2015.

**Effective Dates.**

Acts 2014, ch. 860, § 2, April 29, 2014. [See

**67-5-702. Elderly low-income homeowners.**

(a)(1) There shall be paid from the general funds of the state to certain low-income taxpayers sixty-five (65) years of age or older the amount necessary to pay or reimburse such taxpayers for all or part of the local property taxes paid for a given year on that property that the taxpayer owned and used as the taxpayer's residence as provided in this part.

(2) For tax year 2007 and thereafter, the taxpayer's annual income from all sources shall not exceed twenty-four thousand dollars (\$24,000), or such other amount as set forth in the general appropriations act. This annual income limit shall be adjusted each tax year to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars (\$10.00). The income attributable to the applicant for tax relief shall be the income of all owners of the property, the income of applicant's spouse and the income of any owner of a remainder or reversion in the property if the property constituted the person's legal residence at any time during the year for which tax relief is claimed. Any portion of social security income, social security equivalent railroad retirement benefits, and veterans entitlements required to be paid to a nursing home for nursing home care by federal regulations shall not be considered income to an owner who relocates to a nursing home.

(3)(A) Such reimbursement shall be paid on the first twenty-seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B), of the full market value of such property.

(B) Beginning for tax year 2018, and each subsequent tax year, the amount on which reimbursement shall be paid under subdivision (a)(3)(A) shall be increased annually to reflect inflation, as measured by the United States bureau of labor statistics consumer price index for all urban consumers and shall be rounded to the nearest one hundred dollars (\$100). The comptroller of the treasury shall notify taxpayers of any change in dollar amounts made pursuant to this subdivision (a)(3)(B) and post the information in a readily identifiable location on the comptroller's website. The annual percentage changes used in this calculation shall be no less than zero percent (0%) and no more than three percent (3%).

(b)(1) In determining the amount of relief to a taxpayer, the effective assessed value on the first twenty-seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B), of full market value shall be multiplied by a tax rate that has been adjusted to reflect the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(2) The effective assessed value shall be determined by multiplying the full market value of the property up to twenty-seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B), by twenty-five percent (25%).

(3) The full market value of the property shall be determined by adjusting the appraised value of the property as shown on the records of the assessor of property by a factor that reflects the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(c) Taxpayers who become sixty-five (65) years of age on or before December 31 of the year for which application is made for property tax relief and are otherwise eligible shall be qualified as elderly low-income homeowners.

#### History.

Acts 1973, ch. 226, § 6; 1974, ch. 771, § 9; 1978, ch. 936, § 1; 1979, ch. 388, §§ 1, 3; T.C.A., § 67-645; Acts 1983, ch. 127, § 1; T.C.A., § 67-670; Acts 1988, ch. 496, § 1; 1988, ch. 522, §§ 4-6; 1992, ch. 964, § 1; 1992, ch. 1021, § 1; 1993, ch. 500, § 1; 1996, ch. 967, § 2; 1998, ch. 726, § 1; 1998, ch. 1081, § 1; 2006, ch. 1019, §§ 61-63; 2007, ch. 539, § 1; 2009, ch. 68, § 1; 2015, ch. 481, § 2; 2016, ch. 1065, § 2; 2017, ch. 181, §§ 31, 32.

#### Compiler's Notes.

Acts 2016, ch. 481, § 1 provided that the act, which amended this section, shall be known and may be cited as the "Save the Tax Relief Act."

Acts 2017, ch. 181, § 1 provided that the act, which amended this section, shall be known and may be cited as the "Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy (IMPROVE) Act" or the "2017 Tax Cut Act."

#### Amendments.

The 2015 amendment substituted "twenty-

three thousand dollars (\$23,000)" for "twenty-five thousand dollars (\$25,000)" in (a)(3), (b)(1), and (b)(2).

The 2016 amendment substituted "twenty-three thousand five hundred dollars (\$23,500)" for "twenty-three thousand dollars (\$23,000)" in (a)(3), (b)(1) and (b)(2).

The 2017 amendment rewrote (a)(3) which read: "(3) Such reimbursement shall be paid on the first twenty-three thousand five hundred dollars (\$23,500), or such other amount as set forth in the general appropriations act, of the full market value of such property."; and substituted "twenty-seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B)" for "twenty-three thousand five hundred dollars (\$23,500), or such other amount as set forth in the general appropriations act" in (b)(1) and (b)(2).

#### Effective Dates.

Acts 2015, ch. 481, § 8. May 18, 2015.

Acts 2016, ch. 1065, § 5. May 20, 2016.

Acts 2017, ch. 181, § 38. July 1, 2017.

### 67-5-703. Disabled homeowners.

(a)(1) There shall be paid from the general funds of the state to certain taxpayers who are totally and permanently disabled, as may be determined by rules and regulations of the state board of equalization, the amount necessary to pay or reimburse such taxpayers for all or part of the local property taxes paid for a given year on that property that the taxpayer owned and used as the taxpayer's residence as provided in this section.

(2) For tax year 2007 and thereafter, the taxpayer's annual income from all sources shall not exceed twenty-four thousand dollars (\$24,000), or such other amount as set in the general appropriations act. The annual income limit shall be adjusted each tax year to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars (\$10.00). The income attributable to the applicant for tax relief shall be the income of all owners

of the property, the income of applicant's spouse and the income of any owner of a remainder or reversion in the property if the property constituted the person's legal residence at any time during the year for which tax relief is claimed. Any portion of social security income, social security equivalent railroad retirement benefits, and veterans entitlements required to be paid to a nursing home for nursing home care by federal regulations shall not be considered income to an owner who relocates to a nursing home.

(3)(A) Such reimbursement shall be paid on the first twenty seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B), of the full market value of such property.

(B) Beginning for tax year 2018, and each subsequent tax year, the amount on which reimbursement shall be paid shall be increased annually to reflect inflation, as measured by the United States bureau of labor statistics consumer price index for all urban consumers and shall be rounded to the nearest one hundred dollars (\$100). The comptroller of the treasury shall notify taxpayers of any change in dollar amounts made pursuant to this subdivision (a)(3)(B) and post the information in a readily identifiable location on the comptroller's website. The annual percentage changes used in this calculation shall be no less than zero percent (0%) and no more than three percent (3%).

(b)(1) In determining the amount of relief to a taxpayer, the effective assessed value on the first twenty seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B), of full market value shall be multiplied by a tax rate that has been adjusted to reflect the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(2) The effective assessed value shall be determined by multiplying the full market value of the property up to twenty seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B), by twenty-five percent (25%).

(3) The full market value of the property shall be determined by adjusting the appraised value of the property as shown on the records of the assessor of property by a factor that reflects the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(c) Taxpayers who become totally and permanently disabled on or before December 31 of the year for which application is made for property tax relief and are otherwise eligible shall be qualified as disabled homeowners.

(d) Any information concerning the disability status of a disabled homeowner shall be confidential and shall not be subject to inspection under Tennessee public records law, compiled in title 10, chapter 7, but shall be available to local or state officials who administer, enforce, or audit the tax relief program or requirements under this section.

**History.**

Acts 1973, ch. 226, § 6; 1978, ch. 936, § 2; 1979, ch. 388, §§ 2, 3; T.C.A., § 67-646; Acts 1983, ch. 127, § 2; T.C.A., § 67-671; Acts 1988, ch. 496, § 2; 1988, ch. 522, §§ 7-9; 1992, ch. 964, § 2; 1992, ch. 1021, § 2; 1993, ch. 500, § 2; 1996, ch. 967, § 3; 1998, ch. 726, § 2; 1998, ch. 1031, § 2; 2006, ch. 1019, §§ 64-66; 2008, ch. 806, § 1; 2009, ch. 63, § 2; 2013, ch. 63, § 2; 2015, ch. 481, § 3; 2016, ch. 1065, § 3; 2017, ch. 181, §§ 33, 34.

**Compiler's Notes.**

Acts 2015, ch. 481, § 1 provided that the act, which amended this section, shall be known and may be cited as the "Save the Tax Relief Act."

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The 2015 amendment substituted "twenty-

three thousand dollars (\$23,000)" for "twenty-five thousand dollars (\$25,000)" in (a)(3), (b)(1), and (b)(2).

The 2016 amendment substituted "twenty-three thousand five hundred dollars (\$23,500)" for "twenty-three thousand dollars (\$23,000)" in (a)(3), (b)(1) and (b)(2).

The 2017 amendment rewrote (a)(3) which read: "(3) Such reimbursement shall be paid on the first twenty-three thousand five hundred dollars (\$23,500), or such other amount as set forth in the general appropriations act, of the full market value of such property."; and substituted "twenty seven thousand dollars (\$27,000), or such other amount as set forth in the general appropriations act or as adjusted pursuant to subdivision (a)(3)(B)" for "twenty-three thousand five hundred dollars (\$23,500), or such other amount as set forth in the general appropriations act" in (b)(1) and (b)(2).

**Effective Dates.**

Acts 2015, ch. 481, § 8. May 18, 2015.

Acts 2016, ch. 1065, § 5. May 20, 2016.

Acts 2017, ch. 181, § 38. July 1, 2017.

**67-5-704. Disabled veteran's residence.**

(a)(1) There shall be paid from the general funds of the state to certain disabled veterans the amount necessary to pay or reimburse such taxpayers for all or part of the local property taxes paid for a given tax year on that property that the disabled veteran owned and used as the disabled veteran's residence as provided in this section.

(2) [Deleted by 2016 amendment.]

(3) Such reimbursement shall be paid on the first one hundred seventy-five thousand dollars (\$175,000) of the full market value of such property.

(4) In determining the amount of relief to a taxpayer, the effective assessed value on the first one hundred seventy-five thousand dollars (\$175,000) of full market value shall be multiplied by a tax rate that has been adjusted to reflect the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(5) The effective assessed value shall be determined by multiplying the full market value of the property up to one hundred seventy-five thousand dollars (\$175,000) by twenty-five percent (25%).

(6) The full market value of the property shall be determined by adjusting the appraised value of the property as shown on the records of the assessor of property by a factor that reflects the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(b) For the purposes of this section, a "disabled veteran" means a person who has served in the armed forces of the United States, and who has:

(1) Acquired in connection with such service a disability from paraplegia or permanent paralysis of both legs and lower part of the body resulting from

traumatic injury or disease to the spinal cord or brain, or from legal blindness, or from loss or loss of use of two (2) or more limbs from any service-connected cause;

(2) Acquired one hundred percent (100%) permanent total disability, as determined by the United States veterans' administration, and such disability resulting from having served as a prisoner of war; or

(3) Acquired service-connected permanent and total disability or disabilities, as determined by the United States department of veterans' affairs.

(c) Under no conditions shall property tax relief extend to any person who was dishonorably discharged from any of the armed services.

(d) The determination of the United States veterans' administration concerning the disability status of a veteran shall be conclusive for purposes of this section.

(e) Property tax relief shall also be extended to the surviving spouse of a disabled veteran who, at the time of the disabled veteran's death, was eligible for disabled veterans' property tax relief. If a subsequent amendment to the law concerning eligibility as a disabled veteran would have made the deceased veteran eligible for disabled veterans' property tax relief, then property tax relief shall also be extended to the surviving spouse. A surviving spouse shall continue to qualify for disabled veterans' property tax relief as long as the surviving spouse:

(1) Does not remarry;

(2) Solely or jointly owns the property for which tax relief is claimed; and

(3) Uses the property for which tax relief is claimed exclusively as a home.

(f) Property tax relief shall also be extended to the surviving spouse of a veteran whose death results from a service-connected, combat-related cause, as determined by the United States veterans' administration; provided, that:

(1) The surviving spouse does not remarry; and

(2) The property for which tax relief is claimed is owned by and used exclusively by the surviving spouse as a home.

(g) Property tax relief shall also be extended to the surviving spouse of a soldier whose death results from being deployed, away from any home base of training and in support of combat or peace operations; provided, that the surviving spouse:

(1) Does not remarry;

(2) Solely or jointly owns the property for which tax relief is claimed; and

(3) Uses the property for which tax relief is claimed exclusively as a home.

(h) The refund provided by this section shall be in lieu of any payment under § 67-5-702 or § 67-5-703.

(i) Any information concerning the disability status of a disabled veteran or the death of a soldier shall be confidential and shall not be subject to inspection under Tennessee public records law, compiled in title 10, chapter 7, but shall be available to local or state officials who administer, enforce, or audit the tax relief program or requirements under this section.

(j) [Deleted by 2016 amendment.]

**History.**

Acts 1973, ch. 226, § 6; 1976, ch. 829, § 1; 1979, ch. 281, § 1; T.C.A., § 67-647; Acts 1980, ch. 690, § 1; 1981, ch. 328, § 1; 1983, ch. 127, § 5; T.C.A., § 67-672; Acts 1984, ch. 802, § 1; 1984, ch. 983, § 1; 1985, ch. 113, § 1; 1988, ch.

522, §§ 10-13; 1996, ch. 967, § 1; 2002, ch. 699, §§ 1, 2; 2002, ch. 751, § 1; 2004, ch. 852, § 1; 2005, ch. 458, §§ 1-3; 2006, ch. 884, §§ 1-4; 2006, ch. 978, § 1; 2006, ch. 1019, §§ 67-69; 2007, ch. 553, § 1; 2011, ch. 262, § 1; 2011, ch. 418, § 1; 2012, ch. 1087, § 1; 2013, ch. 63, § 3; 2015, ch. 481, §§ 4-6; 2016, ch. 1065, § 1; 2017, ch. 181, § 37.

#### Compiler's Notes.

Acts 2015, ch. 481, § 1 provided that the act, which amended this section, shall be known and may be cited as the "Save the Tax Relief Act."

Acts 2017, ch. 181, § 1 provided that the act, which amended this section, shall be known and may be cited as the "Improving Manufacturing, Public Roads and Opportunities for a Vibrant Economy (IMPROVE) Act" or the "2017 Tax Cut Act."

#### Amendments.

The 2015 amendment added present (a)(2) and redesignated former (a)(2) as (a)(3); substituted "one hundred thousand dollars (\$100,000)" for "one hundred seventy-five thousand dollars (\$175,000)" in (a)(3), (a)(4), and (a)(5); and added (j).

The 2016 amendment deleted former (a)(2), which read: "(2)(A) For tax year 2015 and tax years thereafter, the taxpayer's annual income from all sources shall not exceed sixty thousand dollars (\$60,000), or such other amount as set forth in the general appropriations act. This annual income limit shall be adjusted each tax year to reflect the cost of living adjustment for social security recipients as determined by the social security administration and shall be rounded to the nearest ten dollars (\$10.00). The annual income attributable to the applicant for tax relief shall be the income of all owners of the property, the income of the applicant's spouse and the income of any owner of a remainder or reversion in the property if the

property constituted the person's legal residence at any time during the year for which tax relief is claimed. Any portion of social security income, social security equivalent railroad retirement benefits, and veterans entitlements required to be paid to a nursing home for nursing home care by federal regulations shall not be considered income to an owner who relocates to a nursing home.

"(B) This subdivision (a)(2) shall apply to taxpayers who have not received a reimbursement pursuant to this section for tax year 2014 and who apply to receive a reimbursement for tax year 2015 or a tax year thereafter. This subdivision (a)(2) shall not apply to taxpayers who have received a reimbursement pursuant to this section for tax year 2014 and who reapply to receive a reimbursement for tax year 2015 and in subsequent tax years without interruption."; and deleted former (j), which read: "(j) Taxpayers who have not received a reimbursement pursuant to this section for tax year 2014 and who apply to receive a reimbursement for tax year 2015 or a tax year thereafter, shall submit proof and documentation of the taxpayer's annual income as defined in subdivision (a)(2)(A) in order to qualify for the reimbursement provided by this section."

The 2017 amendment substituted "one hundred seventy-five thousand dollars (\$175,000)" for "one hundred thousand dollars (\$100,000)" in (a)(3)-(5).

#### Effective Dates.

Acts 2015, ch. 481, § 8. May 18, 2015.

Acts 2016, ch. 1065, § 5. May 20, 2016.

Acts 2017, ch. 181, § 38. July 1, 2017.

#### Attorney General Opinions.

The maximum annual income threshold of T.C.A. § 67-5-704(a)(2)(A) does not conflict with 38 U.S.C. § 5301(a)(1), which mandates that veterans' benefits be exempt from taxation. OAG 16-12, 2016 Tenn. AG LEXIS 12 (3/29/2016).

taxpayer's eligible residence as the taxpayer's eligible residence on the basis of acquiring a new residence; the amount shall be recalculated for the year of eligibility;

(2) "Collecting official" means a collecting official of a municipality, the county or collection of property tax.

(3) "Improvement" means a permanent improvement to property for the year of assessment made; and

(4) "Principal residence" means a residence eligible as the taxpayer's principal residence. The maximum size requirements under the rules shall not exceed five (5) acres and shall apply to the residence established by the rules.

(d) The legislative body of a county or municipality shall adopt the proper ordinance or resolution or ordinance; providing for terminating the program until the following tax year.

(e)(1) Taxpayers seeking a collecting official by the county or municipality must qualify on the basis of the property. The collecting official's eligibility have been met and shall be final, subject to audit an