

Compilation of State Laws

Regarding Property Taxation of Veterans Service Organizations (VSOs)

By: Chuck Kucera
Adjutant, VFW Post 696, Owensboro, KY

KENTUCKY

Section 170 of the Kentucky Constitution states that certain groups are exempt from property taxation such as institutions of religion, education, cemeteries and "Institutions of Purely Public Charity." "Public Charity" is nowhere defined in Kentucky laws or regulations, although it is in Federal IRS rules. (IRS Pub. 3386) and many state laws. Requests for exemption from property tax are made by the local Property Valuation Administrator or higher up in the State's Department of Revenue on a subjective case-by-case analysis.

OTHER STATES

Other US states take varied approaches to this issue. The majority of state statutes recognize VSOs as property exempt. Below, they are organized as Group 1, 2, or 3 by the specificity of their statute language. (Upon, request, actual language can be provided.)

1) States whose statute actually itemizes the VSO by precise name, and sometimes adds the language to include "similar Veterans Organization."

Example: South Carolina

Section 12-37-220 General Exemption from taxes.

(5) All property of the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, Fleet Reserve Association, and the Marine Corps League or any similar Veterans organization chartered by the Congress of the United States.

The Following state's laws contain similar precise language. (9 states)

* South Carolina	* Alabama	* New Hampshire
* Oregon	* North Carolina	* Delaware
* New York	* Indiana	* Maine

2) States whose statute exempts organizations named as "Veterans Organizations" and/or chartered under IRS Code 501(c)(19)

Example: Georgia

Title 48, Chapter 5, Article 2, Part 1, 48-5-41

(14) (A) Property which is owned by and used exclusively as the headquarters, post home or similar facility of a veterans organization.

The following state's laws contain similar language. (22 states)

* Iowa	* Texas	* Arizona	* Hawaii
* Connecticut	* Kansas	* Washington	* Illinois
* Rhode Island	* Montana	* Nevada	* Georgia
* New Jersey	* Colorado	* California	* Missouri
* Ohio	* Pennsylvania	* Wisconsin	* South Dakota
* Montana	* New Mexico		

3) States whose statute exempts organizations named as such things as “Charitable”, “Lodges or Chapters”, “Non-Profit”, “Fraternal” or “Benevolent” with various burdens of proof.

Example: Mississippi

Section 27-31-1 Exempt property. The Following shall be exempt from taxation.

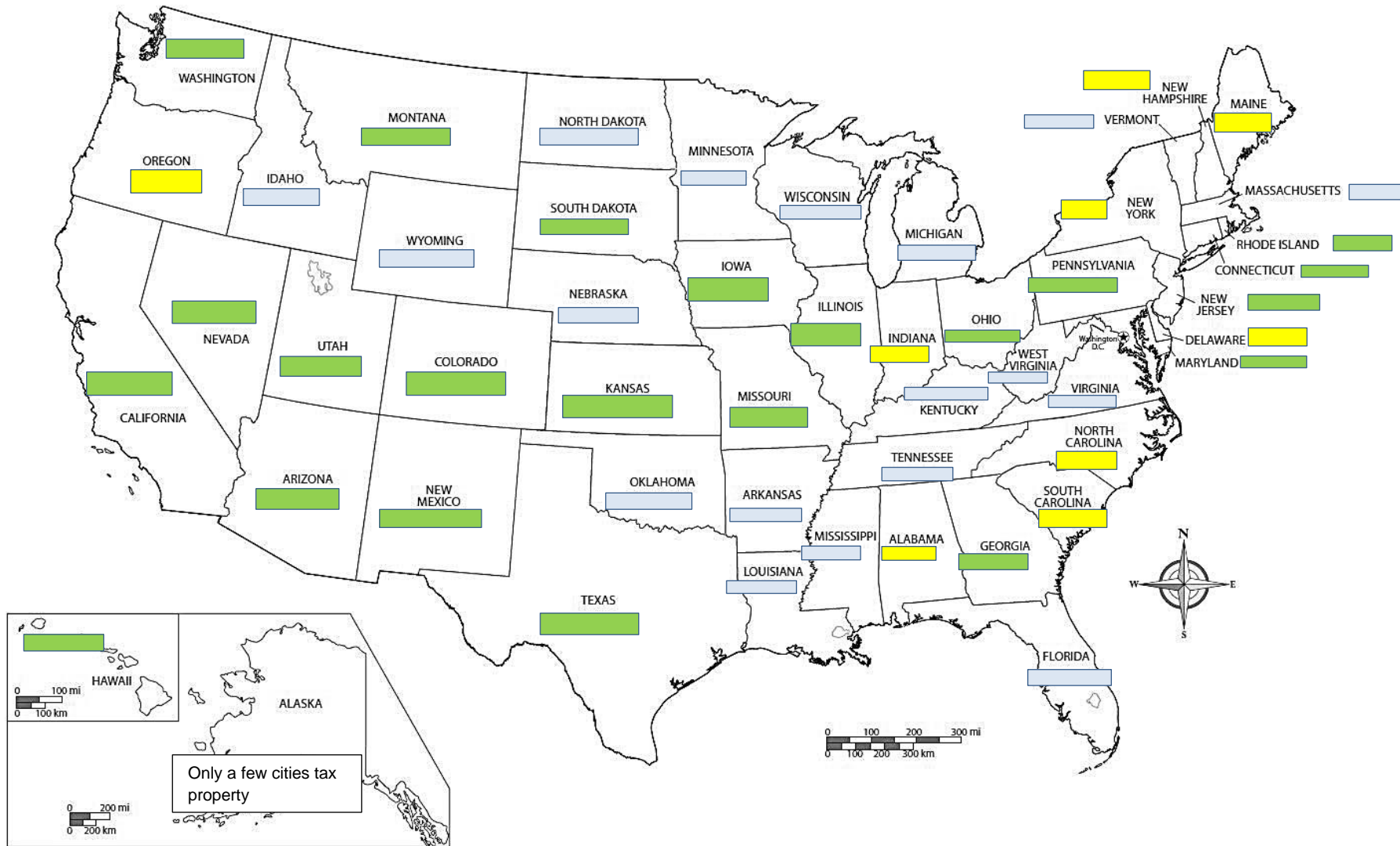
(d) All property real or personal belonging to any religious society, or ecclesiastical body, or any congregation thereof, or to any charitable society, or to any historical or patriotic association....
(underline added)

The following state's laws contain similar language (18 states)

(Note: Alaska only levies property tax in a few cities)

* Vermont	* Mississippi	* Wyoming
* Massachusetts	* Louisiana	* Idaho
* West Virginia	* Oklahoma	* Vermont
* Virginia	* Nebraska	* Florida
* Kentucky	* North Dakota	* Michigan
* Tennessee	* Minnesota	* Wisconsin

STATE LAWS GOVERNING PROPERTY TAX EXEMPTION FOR VETERANS SERVICE ORGANIZATIONS (VSOs)



States whose laws specifically name veterans organizations (e.g., VFW, American Legion, etc.) and often also say "Similar Veterans Groups"



States whose laws use the general word "Veterans Organization"



States whose laws provide generally for various "Non-Profit", "Fraternal", "Benevolent", "Public Charity" or other types of organizations.