

*Michael Carbone*  
ARIZONA STATE HOUSE

# LEGISLATIVE *update*



Dear Friends,

I'm proud to share an important victory for Arizona's veterans. With the signing of HB 2672, we have taken a major step toward protecting those who served our country with honor.

For far too long, outdated property tax rules put disabled veterans at risk of losing their homes. Rising property values and unfair income calculations punished service members and left many military families facing instability.

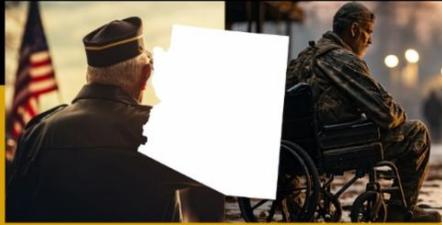
### **HB2672 changes that.**

This new law modernizes Arizona's property tax system for veterans by:

- Eliminating property taxes for 100% service-connected disabled veterans.
- Removing outdated home value caps so rising housing markets don't disqualify veterans.
- Protecting military pensions and VA benefits by excluding them from income limits.
- Extending partial exemptions for veterans with lower disability ratings.
- Ensuring surviving spouses can continue receiving benefits if they remain in the home.
- Investing \$3 million statewide in veteran mental health and homelessness prevention programs

# HB 2672: Supporting Arizona's Disabled Veterans

Veterans, especially those with service-connected disabilities, should never be taxed out of their homes.



## THE PROBLEM

Rising property values, outdated exemption caps, and punitive income calculations put Arizona's veterans at risk of losing their homes.

This system punished service, penalized honorable service, discouraged work, and left disabled vets vulnerable to foreclosure, homelessness, and instability.



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## THE SOLUTION

When HB 2672 was signed into law, it modernized Arizona's property tax system for veterans by:

- ▶ **Zeroing out property taxes** for 100% service-connected low-income disabled veterans.
- ▶ **Removing the home value cap** on exemptions so rising property values no longer disqualify veterans.
- ▶ **Excluding pensions and earned benefits** from income thresholds, so military service isn't penalized.
- ▶ **Extending partial exemptions** to veterans with lower disability ratings.
- ▶ Guaranteeing benefits continue for **surviving spouses** who remain in the home.
- ▶ **Home Requirements:** Applies only to a primary residence (not investment or vacation properties).
- ▶ Adding **\$3 million statewide** for veteran mental health and homelessness programs.

## HOW IT WORKS

**Eligibility:** Veterans with a disability rating from 10% to 100% qualify for exemptions; income limits apply, but military pensions, VA benefits, Social Security, and similar support are excluded from the calculation. Veterans are now free to obtain meaningful work and earn an income without fear of losing their exemption.

Disability Type	Disability Rating	Exemption Limit*	Assessment Limit	Income Limit*
Service-Connected	100%	None	None	\$38,843/\$46,600
Service-Connected	10% to 90%	\$4,748 x Rating	None	\$38,843/\$46,600
Nonservice-Connected	100%	\$4,748	None	\$38,843/\$46,600
Nonservice-Connected	10% to 90%	\$4,748 x Rating	None	\$38,843/\$46,600

\*Adjusted annually for inflation, with a higher amount for those with dependents. Exempt amount is calculated on the home's assessed value: assessed property value multiplied by 10%.

## WHY IT MATTERS

1

### Keeps veterans in their homes

No fear of losing benefits due to inflation or rising housing markets.

2

### Protects military retirement

Veterans' earned retirement pay no longer counts against them.

3

### Supports veteran wellbeing

Allocates \$1M for mental health pilot programs and \$2M for homelessness prevention services.

## THE BOTTOM LINE

HB 2672 ensures Arizona's veterans are not punished for their service or taxed out of their homes. This law delivers real, lasting tax relief while investing in mental health and housing security for those who served.

**Contact your local county assessor to complete your application!**



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[Download the info flyer here](#)

### Why this matters:

- Veterans can remain in their homes without fear of rising property taxes.
- Military retirement pay is protected.
- More resources are going toward mental health and housing security.



**This legislation makes it clear:** Arizona will not punish veterans for their service or tax them out of their homes.

-> If you are a veteran or know someone who may qualify, please contact your local county assessor's office to apply for these benefits.

Together, we are ensuring that Arizona's heroes receive the respect, support, and security they deserve.

**My goal is to create tangible, positive change for our community .**

I am committed to working hard each day on behalf of our district and to making Arizona the best place to live, work, and raise a family.

Thank you for your continued support.

Best regards,

**Representative Michael Carbone**  
**Majority Leader**

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