

Date of Hearing: March 24, 2026

ASSEMBLY COMMITTEE ON MILITARY AND VETERANS AFFAIRS

Pilar Schiavo, Chair

AB 2022 (Jeff Gonzalez) – As Introduced February 17, 2026

SUBJECT: Property taxation: exemption: disabled veteran homeowners.

SUMMARY: Creates a new property tax exemption in lieu of the existing exemption for qualified disabled veterans. Specifically, **this bill:**

- 1) Exempts from taxation, for property tax lien dates occurring on or after January 1, 2027, but before January 1, 2032, property that meets all of the following conditions: the property is owned by a veteran and is the primary residence of the veteran, their spouse, or both together; the veteran is blind in both eyes or has lost the use of two or more limbs as a result of injury or disease incurred in military service and the disability rating by the United States Department of Veterans Affairs (VA) or the military service from which the veteran was discharged is at 100%; and, the veteran is totally disabled as a result of injury or disease incurred in military service.
- 2) Provides an unmarried surviving spouse with property exemption in the same amount that they would have been entitled to if the veteran were alive if the following conditions are met:
 - a) The deceased veteran, during their lifetime, qualified for the exemption under this bill if the veteran had been alive, in the case of a veteran who was blind in both eyes, had lost the use of two or more limbs, or was totally disabled or would have qualified for the exemption under the laws effective on January 1, 2024, except that the veteran died before January 1, 2024. The veteran was a resident of California on January 1 of the year in which they died; and,
 - b) The veteran died from an injury or disease that was service connected as determined by the VA, and the veteran was a resident of California on January 1 of the year in which they died.
- 3) Provides that the property is deemed to be the principal place of residence of the unmarried surviving spouse of a deceased veteran only if the property was the principal place of residence of the veteran when they died.
- 4) Provides that regardless of confinement to a hospital or other care facility, if the veteran were not confined, that property would be their principal place of residence. Provides that a family member who resides at the residence is not considered a third party.
- 5) Requires certain documentation to be provided to the County Assessor to receive the exemption and prohibits any other real property tax exemption from being granted to the claimant if receiving the exemption provided by the provisions of this bill.
- 6) Defines or explains the following terms used in this bill: "blind in both eyes," "loss of the use of a limb," "totally disabled," "veteran," "property that is owned by a veteran," and "property that is owned by the veteran's unmarried surviving spouse."

- 7) Provides that the Legislature intends to apply the requirements of Revenue and Taxation Code (R&TC) Section 41 to this bill:
 - a) The goal, purpose, and objective of the exemption is to reduce homelessness by providing a tax exemption to 100% disabled veteran homeowners.
 - b) To assist the Legislature in determining whether the exemption allowed by this act fulfills the goal, purpose, and objective as described in this bill, requires the State Board of Equalization, to the extent data is available from county assessors, annually collect and report to the to the Legislature, pursuant to this bill, data from County Assessors to quantify the amount of assessed value exempted and the number and type of taxpayers granted this exemption.
- 8) Requires that if the Commission on State Mandates determines this bill contains costs mandated by the state, reimbursement for those costs is to be made under existing law.
- 9) Provides that, notwithstanding existing law, no appropriation is made, and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to this bill.
- 10) Provides that this bill's provisions shall remain in effect only until January 1, 2032, and as of that date is repealed.
- 11) Takes effect immediately as a tax levy.

EXISTING LAW:

- 1) Provides that all property is taxable unless explicitly exempted by the California Constitution or federal law. (California Constitution, Article XIII, Section 1.)
- 2) Allows the Legislature to exempt from property taxation in whole or in part the home of a veteran or veteran's spouse if the veteran, because of injury incurred in military service, is blind in both eyes, has lost the use of 2 or more limbs, or is totally disabled, or if the veteran has, as a result of a service-connected injury or disease, died while on active duty in military service, unless the home is receiving another real property exemption. (California Constitution, Article XIII, § 4, Subdivision (a).)
- 3) Exempts from property taxes the principal place of residence of a veteran, that is owned by the veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly, if the veteran is disabled as a result of injury or disease incurred in military service, or if the veteran has, as a result of a service-connected injury or disease, died while on active duty in military service. The property tax exemption is on that part of the full value of the residence that does not exceed \$100,000, or \$150,000 if the household income of the claimant does not exceed \$40,000, as adjusted for inflation, as specified. (Revenue and Taxation Code (R&TC) § 205.5.)
- 4) Requires that anyone claiming the disabled veterans' exemption file a claim with the County Assessor. (R&TC § 227.)

FISCAL EFFECT: This bill has not been analyzed by a fiscal committee.

COMMENTS:

- 1) **PURPOSE OF THIS BILL.** According to the author, “as a disabled veteran, I know firsthand the lifelong challenges that service-connected injuries can create—not only physically, but financially as well. Veterans who are rated 100 percent disabled often rely on fixed incomes and face significant barriers to employment, yet many still struggle to keep up with rising housing costs and property taxes in California. AB 2022 recognizes the sacrifices these veterans have made by providing a full property tax exemption for their primary residence, helping ensure they can remain safely housed in the communities they call home. This bill also extends that stability to the unmarried surviving spouses of qualifying veterans, honoring their families’ sacrifice as well. By reducing this financial burden, AB 2022 helps deliver the dignity, security, and support that our most severely disabled veterans have earned through their service to our nation.”
- 2) **BACKGROUND.** California provides a partial property tax exemption for disabled veterans, known as the California Disabled Veterans’ Exemption, intended for those who are totally disabled, blind in both eyes, or have lost the use of two or more limbs as a result of injury or disease incurred in military service. An unmarried surviving spouse of a qualified veteran may also qualify. The amount of exemption varies depending on the tax year and other factors.

This bill would allow a full property tax exemption as an alternative to the existing partial exemption for disabled veterans. This bill would allow any totally disabled veteran claim a full exemption from property tax without any limitation on the property's value. This bill aims to enhance the benefits for disabled veterans by offering a more substantial property tax exemption compared to the current provisions under existing law. Currently, the property tax exemption serves to reduce the tax burden on the primary residence of eligible veterans who have been classified as 100% disabled due to a service-related injury or illness or who receive compensation at the 100% rate due to their unemployability. Additionally, existing law provides two levels of exemption for disabled veterans:

- a) The basic exemption, also known as the “\$100,000 exemption”, is available to all qualifying claimants. The exemption amount is compounded annually by an inflation factor. For example, for 2026, the basic exemption amount was \$180,671; and,
 - b) The low-income exemption, also referred to as the “\$150,000 exemption”, is available to qualifying claimants whose annual household income does not exceed a specified income limit. The amounts for the low-income exemption and the annual income limit are compounded annually by an inflation factor. For example, for 2026, the low-income exemption amount was approximately \$271,009, and the annual household income limit was \$81,131.¹
- 3) **OTHER STATES.** There are currently 20 to 25 states that offer full property tax exemptions on primary residences for veterans with a 100% service-connected or permanent and total disability rating from the VA. Other states offer at least partial exemption. For example,

¹ California State Board of Equalization. (n.d.). Disabled Veterans' Exemption. Retrieved March 16, 2026, from https://www.boe.ca.gov/proptaxes/dv_exemption.htm#Description

Alabama offers full property tax exemption up to 160 acres, Arizona varies by county, and New Hampshire offers a full exemption for specific circumstances, such as service-connected blindness, paralysis, or double amputation.²

- 4) **DOUBLE REFERRAL.** This bill is double referred, upon passage in this Committee, this bill will be referred to the Assembly Committee on Revenue and Taxation.
- 5) **COMMITTEE AMENDMENTS.** The Committee has recommended and the author has agreed to the following amendments to make this bill more consistent with current law:

205.5.1. (a) (1) In lieu of the property exemption in Section 205.5, for property tax lien dates occurring on or after January 1, 2027, but occurring before January 1, 2032, property shall be exempt from taxation if ~~all~~ **both** of the following conditions are met:

(A) The property is owned by and constitutes the principal place of residence of a veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly.

(B) The veteran is blind in both eyes or has lost the use of two or more limbs as a result of injury or disease incurred in military service ***or the veteran is totally disabled as a result of injury or disease incurred in military service.*** ~~and the disability rating by the United States Department of Veterans Affairs or the military service from which the veteran was discharged is 100 percent.~~

~~(C) The veteran is totally disabled as a result of injury or disease incurred in military service.~~

6) RELATED LEGISLATION.

- a) AB 2016 (Jeff Gonzalez) would exclude retirement pay received from the federal government for service in the uniformed services and income from annuity payments received pursuant to a United States Department of Defense Survivor Benefit Plan from gross income under the Personal Income Tax Law for tax years beginning on or after January 1, 2025, and before January 1, 2030. AB 2016 is pending hearing in the Assembly Revenue and Taxation Committee.
- b) SB 888 (Seyarto) would exclude service-connected disability payments from the definition of "household income" for purposes of the disabled veterans' exemption until January 1, 2037. SB 888 is pending hearing in the Senate Revenue and Taxation Committee.
- c) SB 1407 (Archuleta) would exclude retirement pay received from the federal government for service in the uniformed services and income from annuity payments received pursuant to a United States Department of Defense Survivor Benefit Plan from gross income under the Personal Income Tax Law for tax years beginning on or after January 1, 2025 and before January 1, 2037. SB 1407 is pending hearing in the Senate Revenue and Taxation Committee.

² VA Unlocking Veteran tax exemptions across states and U.S. territories: Your roadmap to Veteran tax benefits by state and territory. April 22, 2025. <https://news.va.gov/139592/unlocking-veteran-tax-exemptions-across-states-and-u-s-territories/>

- d) SCA 4 (Archuleta) / SB 623 (Archuleta) amends the California Constitution to allow additional property tax benefits for taxpayers eligible for the disabled veterans' or veterans' exemptions from property tax. SCA 4 is pending in the Senate Elections and Constitutional Amendments Committee, and SB 623 passed the Senate and is pending in the Assembly.
- e) ACA 5 (Schiavo) amends the California Constitution to allow additional property tax benefits for taxpayers eligible for the disabled veterans' or veterans' exemptions from property tax. ACA 5 is pending referral in the Assembly.

7) PREVIOUS LEGISLATION.

- a) AB 535 (Schiavo), Chapter 918, Statutes of 2024, prohibits a determination of whether a potential tenant is eligible for supportive, affordable, or transitional housing under the Veterans Housing and Homeless Prevention Act from considering a potential tenant's service-connected disability benefits, and modifies definitions of "secondary tenant" to conform to this exclusion.
- b) SB 1 (Seyarto) of 2025 would have enacted the Military Services Retirement and Surviving Spouse Benefit Payment Act, which excludes two forms of military retirement income from state income tax. SB 1 is identical to the Governor's Budget proposal but was held on the Senate Appropriations Suspense File.
- c) SB 23 (Valladares) of 2025 would have enacted a full exemption from property tax for disabled veterans, using the same definitions that apply to the existing partial exemption. SB 23 was set for hearing in the Senate Military and Veterans Affairs Committee, but the hearing was cancelled at the request of the author.
- d) SB 56 (Archuleta) of 2025 would have excluded service-connected disability income as household income when determining if the low-income veterans' property tax exemption applies. SB 56 was held under submission in the Assembly Revenue and Taxation Committee.
- e) SB 726 (Archuleta and Grove) of 2023 would have increased the disabled veterans' exemption from property taxation to \$863,790, and indexes the increased amount for inflation, for lien dates between January 1, 2024, and January 1, 2034. SB 726 was set for hearing in the Assembly Revenue and Taxation Committee, but the hearing was cancelled at the request of the author.
- f) SCA 6 (Archuleta) / SB 871 (Archuleta) were substantially similar to SCA 4 and SB 623. SCA 6 passed the Senate but was never referred or heard in the Assembly. SB 871 was set for hearing in the Assembly Revenue and Taxation Committee, but the Committee cancelled the hearing.
- g) SB 726 of 2023 would have increased the disabled veterans' exemption from property taxation to \$863,790, and indexes the increased amount for inflation, for lien dates between January 1, 2024, and January 1, 2034. SB 726 was set for hearing in the Assembly Revenue and Taxation Committee, but the hearing was cancelled at the request of the author.

- h)** SCA 6 (Archuleta) / SB 871 (Archuleta) were substantially similar to SCA 4 and SB 623. SCA 6 passed the Senate but was never referred or heard in the Assembly. SB 871 was set for hearing in the Assembly Revenue and Taxation Committee, but the Committee cancelled the hearing.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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