



Budget Briefs

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VETERANS EDUCATIONAL, TAX, AND HOUSING BENEFITS

The biennial state budget act, 2005 Wisconsin Act 25, passed by the legislature and signed by Governor Jim Doyle on July 25, 2005, created or expanded a number of educational, tax, and housing benefits designed to aid the state's approximately half-million veterans and their families. These provisions, added to those in current law, constitute among the nation's most generous packages of benefits for residents who served in the armed forces.

COLLEGE BENEFITS FOR FAMILY OF DECEASED OR DISABLED VETERANS

Tuition and fees at any University of Wisconsin System (UW System) institution or Technical College will be waived for the resident spouses, unmarried surviving spouses, or children of certain deceased or disabled veterans. The remission of tuition and fees may be granted for 128 credits or 8 semesters, "whichever is longer." This benefit, available beginning with the 2005-2006 academic year, is similar to that granted to the children and spouses of law enforcement officers, fire fighters, emergency medical technicians, ambulance drivers, and correctional officers killed in the line of duty.

Surviving Spouses and Children of Veterans Killed on Duty. For a spouse or child of a deceased veteran to qualify, the veteran must be verified by the Wisconsin Department of Veterans Affairs (DVA) to have served on active duty under honorable conditions in the U.S. armed forces, in the national guard, or in a reserve component of the U.S. armed forces; must have been a resident of Wisconsin at the time of entry into that service; and, while a resident of this state, either died on active duty, or, while a member of the national guard or a reserve component, died in the line of duty while on active duty or inactive duty for train-

ing purposes. (In general, a member of the armed forces remains a resident of the state from which he or she entered the service until changing his or her official state of residence.)

A surviving spouse must use the benefit within the first 10 years after the death of the veteran and a child of a deceased veteran must use the benefit if at least 18 but less than 26 years of age and while a full-time student.

Spouses and Children of Disabled Veterans. Waivers are available to the spouses or children of veterans who were residents of Wisconsin at the time they entered active duty and who, while a resident of the state, incurred at least a 30 percent disability rating under federal rules. The spouse of a disabled veteran may use the benefit only during the first 10 years after the veteran received the service-connected disability rating. A child may use the benefit only if at least 18 but less than 26 years of age and while a full-time student.

COLLEGE BENEFITS FOR VETERANS

Eligible veterans may receive waivers of 50 percent of tuition and fees at any UW System institution or technical college. The benefit may be used for 128 credits or 8 semesters, "whichever is longer," beginning with the 2005-2006 academic year. There is no time limit within which the benefits must be used, no cap on household income, and no restriction on educational level (undergraduate or graduate courses) for which the credits may be earned. To qualify, a veteran must be verified by the DVA to have been a resident of Wisconsin at the time of his or her entry into service, must be a resident of the state at the time the benefits will be used, must have served under honorable conditions, and must meet any of the following conditions:

- Served on active duty for two continuous years or more or the full period of his or her initial service obligation, whichever is less.
- Served on active duty for at least one qualifying term of service during a specified war period or in a crisis zone, or is entitled to receive a specified expeditionary or service medal.
- Was honorably discharged for a service-connected disability, or for reasons of hardship.
- Was released due to a reduction in the U.S. armed forces.

Eligibility for Resident Tuition. Act 25 provides that veterans who were Wisconsin residents at the time they entered or reentered active duty may qualify for resident tuition rates without having to first reestablish Wisconsin residency by living in the state for 12 consecutive months before enrolling.

PROPERTY TAX CREDIT FOR CERTAIN VETERANS OR THEIR SPOUSES

Act 25 created a refundable individual income tax credit equal to the real estate and personal property taxes paid by certain veterans or their unremarried surviving spouses. The credit, which applies only to a principal residence, may first be claimed for taxable years beginning on January 1, 2005. It will not be allowed if a person files a claim in the same year for the property tax/rent credit, the farmland tax relief credit, the homestead credit, or the farmland preservation credit. The following individuals are eligible to claim the credit:

- **Disabled, elderly veterans.** A veteran who is at least 65 years of age, was a resident of Wisconsin at the time he or she entered active duty, served under honorable conditions, lived in Wisconsin for at least the last 12 consecutive months, and has a service-connected disability rating of 100 percent.
- **Spouses of veterans killed on duty.** The spouse of a veteran killed while on active duty or a member of the national guard or a reserve component of the armed forces who died in the line of duty while on active or inactive duty for training purposes. The deceased veteran must have been a resident

of Wisconsin at the time of entry into the applicable service, and been a resident of the state at the time of death.

- **Spouses of deceased, disabled, elderly veterans.** The spouse of a veteran who had served honorably on active duty in the armed forces, who was a resident of Wisconsin both at the time of entry into the service and at the time of death, and who had a service-connected disability rating of 100 percent. In addition, the veteran must have been at least 65 years old at the time of death, or would have been 65 years old at the end of the year in which the the death occurred.

HOUSING LOAN PROGRAM

Act 25 made changes to the Veterans Primary Mortgage Loan Program and the Veterans Home Improvement Loan Program. It deleted the \$25,000 maximum limit for a home improvement loan and permitted money from either program to be used for the purchase, construction, or improvement of any building that is used by the veteran as "a residence," instead of only the veteran's principal place of residence. The act also extended eligibility for loans to residents who completed six continuous years of honorable service in the National Guard or a reserve component and liberalized the rules for using program money to refinance existing loans for the purchase, construction, or improvement of a residence.

FOR MORE INFORMATION

Department of Veterans Affairs. To obtain verification of eligibility for educational benefits, or for questions about the veterans housing loan programs, contact the DVA at (800) WIS-VETS (947-8387) or 266-1311.

Department of Revenue. For questions about the income tax credit call the Income Tax Customer Service number at (608) 266-2772.

Colleges. For questions about enrollment and tuition/fee waivers, contact the individual campus, the UW System's Office of Academic and Student Services at (608) 262-8778, or the Technical Colleges System Administration at (608) 266-2449.