



**State of Arkansas  
Department of Finance and Administration  
Fiscal Impact Statement**

**Bill: HB1129**

**Bill Subtitle: TO AMEND THE DEFINITION OF "HOMESTEAD" FOR THE PURPOSE OF THE PROPERTY TAX EXEMPTION FOR DISABLED VETERANS, SURVIVING SPOUSES, AND MINOR DEPENDENT CHILDREN.**

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**Sponsors:**

**Reps. Gramlich and Puryear  
Sen. Petty**

**Basic Change:**

HB1129 amends the definition of "homestead" for the property tax exemption for a disabled veteran by increasing the amount of real property that is eligible for the exemption from 40 to 80 acres.

A disabled veteran who has been awarded special monthly compensation by the Department of Veterans Affairs for the loss of, or the loss of use of, one or more limbs, for total blindness in one or both eyes, or for service-connected 100% total and permanent disability is exempt from payment of all state taxes on the homestead and personal property owned by the disabled veteran. Generally, a surviving spouse and minor dependent child of a deceased disabled veteran are also exempt from payment of all state taxes on the homestead.

§ 26-3-306 currently defines "homestead" to mean a dwelling used as the disabled veteran's principal place of residence, along with up to 40 acres of real property contiguous to the dwelling so long as the contiguous real property is not used for a commercial purpose. HB1129 amends the definition of "homestead" to increase the amount of real property contiguous to a dwelling that is eligible for the exemption from 40 to 80 acres.

HB1129 is effective for assessment years beginning on or after January 1, 2025.

**Fiscal Impact:**

No impact to state revenues. It is uncertain what revenue impact to county property tax collections would result.

**Taxpayer Impact:**

A taxpayer eligible for the homestead exemption under § 26-3-306 would be able to claim up to 80 acres of real property.

**Resources Required:**

No resources would be required by the Assessment Coordination Division (ACD) of the Department of Finance and Administration. It is undetermined what additional resources would be required by Arkansas county tax collectors.

**Time Required:**

Adequate time is required for implementation.



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**Procedural Changes:**

ACD employees will require training and the tax community will need to be educated.

**Other Comments:**

None.

**Legal Analysis:**

None.