

Good Morning Chairman Peterson and members of the Senate Ways & Means Committee. Thank you for this opportunity to provide testimony on behalf of Ohio's Disabled veterans.

My name is Tommy Adkins. I am a National Officer assigned to the Department of Ohio as a Deputy Representative for the Disabled American Veterans (DAV).

I am here today because of what is not in the Budget or HB 64. I feel compelled to testify before you today as a voice for my fellow disabled veterans.

**First**, I have been advocating for many years for the passage of a bill to recognize Ohio's 100% service connected disabled veterans. A bill similar to what was introduced at the 128<sup>th</sup> General Assembly known as SB 182 and from the 130<sup>th</sup> General Assembly known as SB27. For whatever reason both bills died on the floor.

These bills exempt from property taxation the primary residence of military veterans who are 100 percent disabled from service connected disabilities. I am referring to Ohio's most severely injured veterans.

I authored a resolution on SB27 which was supported by, adopted by and passed by the 92<sup>nd</sup> Convention of the Disabled American Veterans Department of Ohio.

On Feb 22, 2013, I received a copy of the Senate Ways & Means Committee agenda for the meeting on February 27, 2013. SB27 had its first reading on that day. I have been waiting ever since for a public hearing so I can testify about the need for Ohio to adopt a bill similar to SB 182 or SB 27. I never got that opportunity, as I understand that HB 85 replaced SB27.

Further, while it is true that Ohio's most severely injured veterans do benefit from HB 85, it is very misleading. The \$25,000 additional exemption is truly only \$8,750. Which is 35 percent of true value, as a result of the statutory limit.

While several bills that are introduced do address the needs of our veteran population. The reality is, there is no significant benefit to help Ohio's most severely injured veterans. Such as the Veteran Fee Waiver Program, or HB 125.

While such legislation is good for the veteran population as a whole, how many 100% disabled veterans are going to utilize such programs?

I see so many of my fellow veterans struggling financially to make ends meet and made worse by the tax burdens being placed upon them. This is made worse by the fact so many Service members and Veterans lack the knowledge of their benefits.

In a 2009 report titled, "Analysis of Unique Veterans Utilization of VA Benefits and Services," the U.S. Department of Veterans Affairs indicate only 36 percent of all veterans have applied for any type of benefit.

As mentioned earlier, Senate Bill 182 and Senate Bill 27 exempts from property taxation the primary residence of military veterans who are 100 percent disabled from service connected disabilities. While this is only a small fraction of our total population, it's the same fraction that does not utilize benefits and are less likely to ask for their earned benefits.

The total number of Ohio veterans receiving disability compensation rated at 100 percent is estimated to be approximately 10,500. This small segment of our population is what I would like to address.

It was determined SB 27 would cost roughly \$8 million a year to provide complete property tax exemption of the approximately 10,500 100% disabled veterans living in Ohio. I believe this is a small price to pay when you consider the economic impact of the approximately \$400 million dollars a year in Federal tax dollars from the monthly disability compensation from this small segment of our population.

How do you think Ohio's economy would fair, if \$400 million a year moved to Florida or Texas? As these two states are just 2 of many that do offer 100% exemption of property taxes to 100% disabled veterans.

Federal tax dollars follow the recipient. The fact is, other states understand this and are luring these Veterans with similar incentives.

Further, it is my contention that not all of Ohio's most severely injured veterans will apply for the tax exemption. In the drafting and fiscal analysis on these bills by the Ohio Legislation Service Commission, the resulting annual cost of \$8 MILLION was derived by an estimate of half of Ohio residents are owner-occupants.

Therefore this 50% ratio was applied to the 100% disabled veterans living in Ohio. At the time of drafting and fiscal analysis on SB 182, it was estimated that 8000 100% disabled veterans live in Ohio. Therefore the 50% ratio used meant an estimate of 4000 100% disabled veterans qualified for the tax exemption under the bill.

This bill however, did not take into account the Analysis of Unique Veterans Utilization of VA Benefits and Services report. As I mentioned earlier the report states that only 36% of all veterans utilize their earned benefits.

This is where I believe there is a flaw in the fiscal analysis. If an estimate 4000 100% disabled veterans qualify for the tax exemption under the bill and only 36% of all veterans utilize their earned benefits, the result is only 1,333 100%

disabled veterans qualify for the tax exemption. Or an estimate of \$2,888,000 a year not the \$8 MILLION a year as stated in the fiscal analysis.

**Second**, the majority of Ohio's most severely injured veterans are married. The spouse is unable to pursue a career outside the home because they must provide assistance to the veteran. But in some instances a spouse is able to pursue a career outside the home.

Often, the working spouse is the only caregiver for these severely injured veterans. Their spouse leaves the house to earn the much needed additional income their household needs. The sad thing is, the city and the state takes their share in the form of income tax. While it is an accepted practice that we all must bear our fair share of taxes, these brave men and women have already sacrificed their share, yet Ohio continues to demand they sacrifice even more.

But that demand to sacrifice more of these brave men and women continues, as the state of Ohio and the municipalities continue to increase income taxes along with their property taxes to raise revenue.

The Ohio Veteran population has decreased 21 percent between 2000-2010. While many factors play a role in this, one that can't be overlooked is the fact other states are luring these Veterans with similar incentives.

Most of these severely injured veterans living in Ohio could move to a disabled veteran friendly state. Such as, Texas, Florida, or Tennessee, all of which do not charge their residents an income tax, in addition these states do not require 100 percent disabled veterans to pay real estate taxes on their primary residence.

Recently there has been talk about a uniform income tax code. An initiative started in my area by the Greater Dayton Mayors and Managers Association. Their very name would indicate they too advocate for their members (city mayors and managers). While I understand this, I believe they are not advocating for their residents, some of which are Disabled Veterans.

Additionally, every couple of years there is talk about a new property tax. Whether for the city, schools, police or fire, all of which need funding to provide services for the community. All of these have their advocates to proclaim the importance of each to the community. However, I feel it is my duty, as well as my obligation to advocate for Ohio's most severely injured veterans. I have yet to read or hear of any mention of this segment of Ohio's population that will be impacted the most by increasing taxes. Fact is when SB 182 and SB 27 were introduced, Ohio was 1 of only 4 states that did not recognize disabled veterans for homestead exemption.

Finally, I would like to add Ohio's Disabled Veterans have honored us with their service to the defense of our freedom. Our memory and awareness of their sacrifices should never fade away to the extent that our forgetfulness allows us

to take for granted the precious rights for which they sacrificed so much. As our Veteran population declines, I urge you to consider these facts and unite around their struggles. By supporting legislation that would exempt from property taxation the primary residence of Ohio's military veterans that are 100 percent disabled from service connected disability, maybe you could help retain some of Ohio's true assets.

Thank you for your time and I look forward to working with you in the near future on this, or a similar piece of legislation.

Sincerely,

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