New NY law makes 100% disabled veterans exempt from property taxes

New York Gov. Kathy Hochul has signed legislation that makes military veterans who are 100% service-related disabled exempt from property taxes at their primary residence.

The exemption will be offered by all municipalities in New York State. Applicants must be 100% service-related disabled or have a qualifying condition (including those covered by the Restoration of Honor Act) or be deemed unemployable by the U.S. Department of Veterans Affairs.

The law takes effect Oct. 1, 2026, and the exemption will be applicable to the 2027 Assessment Roll. Residents who meet the eligibility requirements will be able to apply with the Town Assessor's office from Oct. 1, 2026, to March 1, 2027.

If you've been following veteran benefits discussions in New York State, you've seen the confusion swirling around the new 100% disabled veteran property tax exemption. Veterans on forums and social media are anxiously asking whether their town, county, or school district will "opt in."

Here is the most important thing you need to know right now: **the opt-in debate is over!**
A chapter amendment — Chapter 77 of the Laws of 2026, signed by Governor Hochul on February 13, 2026 — eliminated local discretion entirely. The full property tax exemption for qualifying 100% permanently and totally disabled veterans is now mandatory across all New York State localities, including school districts. No board vote is required. No public hearing. No opt-in resolution. It is automatic.

Chapter 77 of the Laws of 2026 (The Fix — A.9448)

Bill A.9448 was introduced as a chapter amendment — a technical correction mechanism — and was signed into law on February 13, 2026.
The amendment did three critical things:

- Made the exemption mandatory statewide, removing all "opt-in" languages and eliminating local discretion for every taxing district, including school districts.
- Established the effective date as assessment rolls with taxable status dates on or after October 1, 2026.
- Clarified that the exemption cannot reduce taxable value below zero — a technical safeguard for assessors.

According to legal guidance from Bond Schoeneck & King PLLC, a prominent New York school law firm, no board resolution or public hearing is now required by any locality. If your school district scheduled a public hearing on this exemption, it should be canceled — the law is self-executing. **Bottom line: If you qualify, every county, town, city, village, and school district in New York State must give you this exemption starting with the first assessment roil after October 1, 2026. No advocacy is required to get the law applied — only to ensure your assessor has your documentation.**

Who Qualifies: The Exact Legal Criteria Under RPTL §458-a The exemption applies under the amended subdivision 11 of RPTL §458-a. To receive a full 100% property tax exemption, a veteran must meet all the following criteria:

- 100% Permanent and Total (P&T) VA disability compensation rating. The VA must have formally rated the veteran as 100% service-connected and designated the rating as permanent and total. This is a specific VA determination — not simply receiving 100% compensation.
- Wartime era service. The veteran must have served during a recognized period of war, as defined under RPTL §458-a. Notably, the Gulf War era began August 2, 1990, and continues to the present — meaning any veteran who served on active duty after that date qualifies as a wartime era veteran under this definition.
- Honorable discharge or honorable conditions discharge from military service,
- Primary residence. The property must be the veteran's primary residence. Rental properties, investment properties, and vacation homes do not qualify.
- Ownership requirement. The property must be owned by the veteran, the spouse of the veteran, or the unremarried surviving spouse of the veteran.

Documentation you will need to provide to your local assessor includes a VA award letter confirming your 100% permanent and total service-connected disability rating, along with your DD-214 and standard proof of residency.

The TDIU Question: Why Individual Unemployability Does Not Currently Qualify
This is the most painful and controversial aspect of the current law, and it deserves a thorough explanation.
Total Disability based on individual Unemployability (TDIU) is a VA benefit designation under 38 CFR §4.16 that allows a veteran who cannot maintain gainful employment due to service-connected disabilities to receive compensation at the 100% rate, even if their combined disability rating is below 100%. TDIU veterans are paid at the same monthly rate as 100% rated veterans — but their formal rating remains lower than 100%.

The NY Division of Veterans Services has issued formal Q&A guidance confirming that TDIU does not qualify a veteran for this new exemption. The specific language states: "For this new local option, a Veteran can qualify only if they have a 100% permanent and total VA disability compensation rating. A TDIU designation does not qualify a Veteran for this new exemption." This exclusion has generated significant frustration in the veteran community — and justifiably so. TDIU veterans are, by the VA's own determination, so severely disabled by service-connected conditions that they cannot work. In many respects, they are among the veterans who need financial relief the most. Yet they are excluded from this benefit because their formal rating percentage does not reach 100%.
It is worth noting that the *original* version of A.74 as introduced included TDIU as a qualifying criterion. That language was removed during budget negotiations. Advocacy to restore TDIU eligibility through a standalone bill is ongoing, and at least one state senator's office has indicated they are considering introducing such legislation.

If you are a TDIU veteran, your path to this exemption runs through two options:

- File for a scheduler 100% rating. If your service-connected conditions have worsened, work with an accredited VA claims agent or VSO to file for an increased rating that would bring your combined scheduler rating to 100% P&T. This is a separate process from TDIU and requires medical evidence supporting the higher rating.

- Advocate for legislative change. Contact your NYS senator and assemblymember and request they co-sponsor legislation to include TDIU veterans in the RPTL §458-a exemption. The more veterans who engage directly, the stronger the legislative case.

Surviving Spouses: Your Rights Under This Exemption

The exemption extends beyond the veteran themselves. Under RPTL §458-a subsection (1)(c), the unremarried surviving spouse of a qualifying veteran is a "qualified owner" who may receive the exemption on their primary residence. Several important scenarios are addressed in the law:

- If the veteran passes away and the surviving spouse does not remarry, the exemption continues if the property remains the surviving spouse's primary residence.
- If the veteran is forced into a nursing home or medical facility but retains ownership of the home, the exemption continues — the law assumes the veteran intends to return to their primary residence when medically able.
- If the deed lists only the spouse (not the veteran) as the owner, the property can still qualify, because a veteran's spouse is a "qualified owner" under the statute.
- If a property is co-owned by the veteran and a non-spouse, non-veteran co-owner, and serves as the primary residence for both, the full property — not just the veteran's ownership share — receives the exemption.
- Upon remarriage, the surviving spouse loses eligibility for the exemption.

What This Exemption Does and Does Not Cover

The 100% exemption under RPTL §458-a subdivision 11 covers all general real property taxes levied by counties., towns, cities, villages, and school districts. This is a comprehensive exemption — it is not capped at a percentage of assessed value the way the standard Alternative Veterans Exemption is.
The exemption applies to the Alternative Veterans Exemption framework (RPTL §458-a) only. It does not affect:

- The Cold War Veterans Exemption (RPTL §458-b), which remains a separate, unchanged program.
- The Eligible Funds Veterans Exemption (RPTL §458), which also operates under different rules.
- Special district charges for capital costs of sewer, water, highways, and similar infrastructure — these may still apply in some circumstances.
- STAR exemptions, which are a separate NYS school tax relief program with their own eligibility rules.

The taxable value of a property cannot be reduced below zero by this exemption — a technical limitation relevant to assessors, not veterans.

What to Do Right Now: Your Action Steps

The exemption applies to assessment rolls with taxable status dates on or after October 1, 2026. Most New York municipalities have a taxable status date of March 1 of each year, which means the first assessment rolls folly reflecting this mandatory exemption will take effect for the 2027 tax year. However, some municipalities — particularly in New York City — use different taxable status dates, so check with your local assessor.
Here is what you should be doing between now and your local taxable status date:

1. Obtain your VA award letter. Confirm it explicitly states "100% permanent and total" not simply 100%, not TDIU. Log into VA.gov, navigate to your letters section, and download the official Benefit

Summary letter.

2. Contact your local assessor's office now. introduce yourself, confirm they are aware of Chapter 77 of the Laws of 2026, and ask about the application form. As of mid-2026, the NYS Department of Taxation and Finance is still finalizing the official application form (RP-458-a will be updated); your assessor may have interim instructions.
3. Calendar your application deadline. Most municipalities require exemption applications to be filed by March 1 of the taxable status year. Missing this deadline means waiting another full year. Set a calendar reminder for January 2027.
4. If you are a TDIU veteran, consider consulting with an accredited VA disability attorney or VSO to evaluate whether your conditions support a scheduler 100% rating claim.
5. If you are a surviving spouse, gather documentation showing your veteran spouse's P&T rating, your marriage certificate, and proof the property is your primary residence.

The Bottom Line

New York's 100% disabled veteran property tax exemption is now the law of the land — mandatory, statewide, and no longer subject to the political will of individual municipalities or school boards. After years of advocacy by veteran's organizations and multiple legislative iterations, 100% P&T veterans in New York will have their primary residence fully exempt from property taxation beginning with the first assessment roll after October 1, 2026.

The remaining gap is TDIU. If you are a TDIU veteran, your fight is not over — it simply shifts to the VA for a potential rating increase, and to your state legislators for a future amendment. Stay engaged, document everything, and use accredited representation when pursuing your VA claim. Your service earned this. Now make sure you collect it.