

Disabled Veteran Program Overview

REVENUE INTERIM COMMITTEE
MEGAN MOORE – MAY 2026

CERTAIN DISABLED VETERANS ELIGIBLE FOR PRIMARY RESIDENCE REDUCTION

Certain disabled veterans and their surviving spouses who own a primary residence are eligible for a property value reduction. To qualify for the Montana disabled veteran program (MDV), provided for in [15-6-311](#), a taxpayer must:

- be rated 100% disabled or be paid at the 100% disabled rate or be the unmarried surviving spouse of a qualified disabled veteran or of a veteran who was killed while on active duty;
- own and occupy a primary residence for at least 7 months of the year; and
- meet the program’s income limits.

Once approved, the taxpayer remains eligible subject to annual verification by the Department of Revenue.

The exemption amount is based on federal adjusted gross income excluding capital and income losses of the applicant and the applicant’s spouse. The income limits for tax year 2026 and the exemption amounts are shown in the table below.¹ The income limits are adjusted annually for inflation.

There is a similar property tax assistance program for the owners of primary residences who are not disabled veterans, but MDV is more generous, with higher exemption percentages and income limits, and no limit on the value of the primary residence.

2026 INCOME LIMITS AND EXEMPTION AMOUNTS FOR DISABLED VETERAN PROGRAM

Income			Exemption
Single	Married/Head of Household	Surviving Spouse	
\$0 to \$48,152	\$0 to \$57,781	\$0 to \$40,127	100%
\$48,153 to \$52,968	\$57,782 to \$62,598	\$40,128 to \$44,942	80%
\$52,969 to \$57,781	\$62,599 to \$67,412	\$44,943 to \$49,758	70%
\$57,782 to \$62,598	\$67,413 to \$72,229	\$49,759 to \$54,573	50%

Data from the Department of Revenue shows 3,612 disabled veterans and surviving spouses received an average tax benefit of \$1,913 in 2025. The total value of the benefit to participants was \$6.9 million, which includes a loss in state revenue of \$1.2 million and shifts to other taxpayers of \$5.7 million.

The benefit amount generally increases over time as both the number of participants and residential property values increase. While the number of claimants increased from 2024 to 2025, the average benefit, state revenue loss, and tax shifts decreased because of reductions in residential property values resulting from tax rate revisions in [House Bill 231](#) and [Senate Bill 542](#).

¹ Department of Revenue. “Montana Disabled Veteran Assistance Program (MDV).” <https://revenue.mt.gov/property/property-tax-help/mdv>.

MONTANA DISABLED VETERAN PROGRAM USAGE, 2015 TO 2025²

Tax Year	Participants	Reduction in Taxable Value	Loss in State Revenue	Tax Shifts	Total Tax Benefit to Participants	Average Tax Benefit
2015	2,103	\$4,916,616	\$499,854	\$2,495,371	\$2,995,225	\$1,424
2016	2,383	\$5,324,319	\$541,332	\$2,764,896	\$3,306,227	\$1,387
2017	2,427	\$5,920,080	\$601,769	\$3,176,103	\$3,777,872	\$1,557
2018	2,567	\$6,370,030	\$647,417	\$3,528,561	\$4,175,978	\$1,627
2019	2,660	\$7,266,634	\$738,592	\$3,937,860	\$4,676,452	\$1,758
2020	2,824	\$7,944,119	\$807,196	\$4,315,708	\$5,122,904	\$1,814
2021	2,960	\$9,361,039	\$950,985	\$4,778,511	\$5,729,496	\$1,936
2022	3,028	\$9,573,247	\$972,630	\$4,970,760	\$5,943,390	\$1,963
2023	3,243	\$14,177,406	\$1,440,173	\$6,137,639	\$7,577,813	\$2,337
2024	3,455	\$15,139,389	\$1,538,225	\$6,529,965	\$8,068,190	\$2,335
2025	3,612	\$11,907,559	\$1,209,452	\$5,701,706	\$6,911,158	\$1,913

NO CHANGE TO INCOME LIMITS SINCE 2003 INFLATION INDEXING

The Legislature has not revised the MDV income limits since enactment of the annual inflation adjustment in 2003.³ There was a definition change in [Senate Bill 157](#), the 2015 bill that enacted a 2-year reappraisal cycle for residential properties. The bill revised the income definition to use federal adjusted gross income excluding capital and income losses. Before the change, losses were not excluded.

LEGISLATURE CONSIDERS 2 BILLS IN 2023 TO CHANGE INCOME LIMITS

The Legislature did not consider any bills to revise the MDV income limits for 20 years after enactment of the inflation adjustment. In 2023, the Legislature failed to pass two bills that would have amended the income limits.

- [House Bill 223](#) sponsored by Rep. Scot Kearns added another income tier for income of up to \$60,000 for single taxpayers and surviving spouses and \$75,000 for married taxpayers filing jointly or head of household. (Inflation adjustments have now increased income limits above those amounts.) The bill also added program eligibility for veterans with an 80% or 90% disability rating. The Senate Finance and Claims Committee tabled the bill.
- [House Bill 494](#) sponsored by Rep. Jim Hamilton would have replaced the current income limits with limits based on a percentage of the federal poverty level. The House Taxation Committee tabled the bill.

² Department of Revenue data. Dylan Cole, email messages to Megan Moore, October 30, 2025, and May 14, 2026.

³ [Senate Bill 65](#), Ch. 399, L. 2003.