

SB130 INTRODUCED



1 SB130
2 G3UALCC-1
3 By Senators Elliott, Jones, Kelley, Bell
4 RFD: Finance and Taxation General Fund
5 First Read: 13-Jan-26



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4 SYNOPSIS:

5 Under existing law, the homesteads of residents
6 of this state who are over 65 years of age or who are
7 retired due to permanent and total disability,
8 including disabled veterans with a permanent and total
9 disability, are exempt from state ad valorem taxes.

10 Also under existing law, these disabled
11 individuals are granted a certificate of permanent and
12 total disability by the Commissioner of Revenue as
13 evidence of this exemption.

14 This bill would require a tax assessing official
15 to issue a tentative certificate of permanent and total
16 disability to a disabled veteran with a 100 percent
17 disability rating upon the submission of certain
18 information.

19 This bill would also prohibit settlement agents
20 and loan closing officers from considering ad valorem
21 taxes for homesteads when calculating these veterans'
22 debt-to-income ratio upon receiving a tentative
23 certificate.

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26 A BILL

27 TO BE ENTITLED

28 AN ACT



SB130 INTRODUCED

37 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

38 Section 1. (a) This act shall be known and may be cited
39 as the Disabled Veterans Property Tax Debt-To-Income Ratio
40 Exemption Act.

41 (b) A tax assessing official shall issue a veteran who
42 has received a 100 percent disability rating from the United
43 States Department of Veterans Affairs and who may claim an
44 exemption under Section 40-9-19 or 40-9-21, Code of Alabama
45 1975, for permanent and total disability, a tentative
46 certificate of permanent and total disability prior to
47 purchasing a homestead upon receiving all of the following:

48 (1) An affidavit, on a form supplied by the Department
49 of Revenue, that includes all of the following information:

50 a. The name of the disabled veteran and the name of his
51 or her spouse, if applicable.

52 b. Whether the homestead will be jointly owned by the
53 disabled veteran and his or her spouse, if applicable.

54 c. An attestation by the veteran that the homestead is
55 to be occupied as the veteran's principal place of residence.

56 (2) The purchase agreement for the homestead.



SB130 INTRODUCED

57 (3) Documentation from the United States Department of
58 Veterans Affairs, or its successor agency, indicating that the
59 veteran has a 100 percent disability rating.

60 (c) A tax assessing official shall issue a tentative
61 certificate of permanent and total disability within 20 days
62 of receiving all of the information required pursuant to
63 subsection (b).

64 (d) A tentative certificate of permanent and total
65 disability shall be considered a valid certificate of
66 permanent and total disability pursuant to Sections 40-9-19
67 and 40-9-21, Code of Alabama 1975, upon the purchase of a
68 homestead by a veteran.

69 (e) A settlement agent or loan closing officer may not
70 consider ad valorem taxes for a homestead when calculating the
71 debt-to-income ratio of a potential borrower who has provided
72 a tentative certificate of permanent and total disability to
73 the agent or officer.

74 (f) The Department of Revenue shall establish the form
75 of the tentative certificate of permanent and total disability
76 which shall include the amount of ad valorem taxes from which
77 a veteran is exempt.

78 Section 2. This act shall become effective on October
79 1, 2026.