# Arizona's 100% Service-Connected Disabled Veterans Should Not Have to Wait Until 2027

*Veterans who applied for Arizona's 2026 property-tax exemption ask why an income restriction set to disappear in 2027 should cost them another year.*

ORO VALLEY, AZ, UNITED STATES, August 21, 2026 /EINPresswire.com/ -- Major Lori E. Rehfeldt, Ret. USAR, a 100% service-connected disabled veteran and Arizona homeowner, is seeking clarification from Arizona lawmakers and state officials regarding the implementation of the state's full primary-residence property-tax exemption for veterans with a 100% service-connected disability rating for tax year 2026.

Arizona voters approved Proposition 130 in 2022, amending the Arizona Constitution and giving the Legislature authority to provide property-tax exemptions for disabled veterans.

In 2026, the Arizona Legislature passed HB 2792, which Governor Katie Hobbs signed on February 12, 2026. The law states that the primary residence of a veteran with a service-connected disability whose disability rating by the U.S. Department of Veterans Affairs is 100% “is fully exempt from taxation.”

HB 2792 applies beginning with tax year 2026 and was enacted as an emergency measure.

State legislative fiscal data citing the Arizona Department of Veterans’ Services identified 37,970 veterans with a 100% disability rating among 154,083 Arizona veterans with disability ratings, or approximately 24.6%. The state data does not distinguish how many of those veterans have a 100% service-connected disability rating and would therefore fall within the group addressed by HB 2792.

The statute also retains a household-income qualification for property-tax exemptions. Major Rehfeldt is seeking clarification about the effect of that requirement on the full primary-residence exemption established for veterans with a 100% service-connected disability rating.

The language of HB 2792 led some 100% service-connected disabled veterans to believe that their primary residences qualified for the full exemption beginning with tax year 2026. Veterans acted on that understanding by obtaining their VA disability documentation, completing the required Arizona forms and submitting applications within the required filing period.

“Many 100% service-connected disabled veterans understood the words ‘is fully exempt from taxation’ to mean that they were included,” Major Rehfeldt said. “They followed the process and submitted the required documentation believing the new law applied to them. I was one of those veterans.”

Major Rehfeldt said the effect of the household-income qualification became apparent during the application process.

“The question is straightforward,” Major Rehfeldt said. “What does ‘fully exempt from taxation’ mean if a 100% service-connected disabled veteran can still be denied the exemption because of household income?”

Legislation has been considered to remove the household-income limitation for veterans who qualify for the disabled-veteran property-tax exemption beginning with tax year 2027. The proposed change has raised an additional question about 100% service-connected disabled veterans who applied for the full exemption for tax year 2026.

“If household income will no longer determine eligibility for qualifying disabled veterans beginning in 2027, 100% service-connected disabled veterans who applied for the full exemption in 2026 deserve an explanation of what happens to them,” Major Rehfeldt said.

Major Rehfeldt is asking Arizona lawmakers and state officials to determine whether relief can be provided for 100% service-connected disabled veterans who submitted their applications and required VA documentation on time for the 2026 tax year.

“A 100% service-connected disability rating is based on disabilities connected to military service, not household income,” Major Rehfeldt said. “Eligibility for this exemption should reflect the veteran's service-connected disability rating rather than a measure of financial need.”

Major Rehfeldt said 100% service-connected disabled veterans who applied for the full exemption based on their understanding of the new law should receive a clear explanation of how the 2026 provisions apply to them.

“Veterans made a reasonable assumption based on the language of the new law and took the steps Arizona required of them,” Major Rehfeldt said. “Those 100% service-connected disabled veterans deserve a clear explanation of how the full exemption applies to them for 2026.”

Major Rehfeldt is a retired Major in the U.S. Army Reserve, a 100% service-connected disabled veteran, Arizona homeowner and author.

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