



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0911 Introduced on January 23, 2018
Author: Alexander
Subject: Property Tax Payment Extension for Deployed Servicemen
Requestor: Senate Finance
RFA Analyst(s): Gable
Impact Date: February 9, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill is expected to have no impact on local expenditure as the deferment would be available to such a small number of residents and counties may already be administering a similar deferment.

Additionally, this bill is expected to have little, if any, impact on local property tax revenues as the required deferment of property tax filings and payments for persons serving in the United States Armed Forces or National Guard in or near a hazard duty zone would only defer the property tax payment until a later date and would only apply to a small number of the state's residents.

Explanation of Fiscal Impact

Introduced on January 23, 2018

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

This bill requires counties to extend the date for filing returns and payment for property taxes for persons serving with the United States Armed Forces or the National Guard in or near a hazard zone. The taxpayer must apply for the extension. Currently, a county may extend the date for filing and payment of property taxes for these persons.

We estimate that this deferment would be available to approximately 0.03 percent of South Carolina residents. Because this deferment would impact such a small portion of the state's residents and counties may already be allowing the deferment, we expect there would be minimal administrative cost to the counties to implement the deferment. Therefore, there is no anticipated local expenditure impact due to this bill.

Local Revenue

This bill requires counties to extend the date for filing returns and the payment of property taxes for persons serving with the United States Armed Forces or the National Guard in or near a hazard duty zone. The taxpayer must apply for the extension. This bill also specifies that the deferment begins on the tax due date and ends 90 days after the last date of deployment. If the taxes are paid within this time period, no interest may be charged. However, if the taxes are not paid within the 90 days, interest may be charged on any unpaid amount at the rate at which it would have accrued since the original property tax due date.

Currently, a county may extend the date for filing and payment of property taxes for these persons. This bill would require counties to defer property taxes upon application. These taxes would be collected within 90 days of the end of the deployment period of an eligible individual or would be subject to interest at the rate at which it would have accrued since the original property tax due date. Also, based on our estimate, as of September 30, 2017, only 0.03 percent of South Carolina residents were persons serving overseas in the United States Armed Forces or National Guard who may be eligible to apply for this deferment. See Figure 1 for calculation. As this bill requires a deferment of property taxes for less than one percent of South Carolina residents upon application and given the ability of counties to defer property taxes at their discretion currently, local property tax revenue would be impacted minimally, if at all.

Figure 1: Percentage of South Carolina Military Residence Serving in Potentially Hazardous Duty Zones

(All calculations are rounded to the nearest whole number)

Column	South Carolina Military Residents Serving Overseas	
1	Total Active Duty Military as of September 30, 2017 <i>/a</i>	1,678,727
2	Percentage of Non-prior Service Active Component Enlisted Accessions from SC FFY 2010 <i>/b</i>	2.00%
3	Active Duty Military Claiming SC Residency (1 x 2)	33,575
4		
5	Total Active Duty Military Serving Overseas <i>/a</i>	86,614
6	Percentage of Active Duty Serving Overseas (1 ÷ 5)	5.16%
7		
8	Total Active SC Residents Serving Overseas (3 x 6)	1,732
9	Total SC Population 2017 <i>/b</i>	5,024,369
10	Percentage of SC Residents that are Active Service Members Serving Overseas (8 ÷ 9)	0.03%

/a Counts of Active Duty and Reserve Service Members and APF Civilians as of September 30, 2017.

Source: U.S. Census Bureau, Population Division

/b Population Representation in the Military Services 2011, Office of the Under Secretary of Defense, Personnel and Readiness.
Table B-46 Non-Prior Service Active Component Enlisted Accessions, Quality and Mean AFQT by Census Region, Division, and State.

/c Annual Estimates of Resident Population for the United States, Regions, States, and Puerto Rico: April 1, 2010 to July 1, 2017.

Source: U.S. Census Bureau, Population Division

Frank A. Rainwater, Executive Director