



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0943 Introduced on January 10, 2024
Author: Young
Subject: Property Tax Exemptions
Requestor: Senate Finance
RFA Analyst(s): Jolliff
Impact Date: January 25, 2024

Fiscal Impact Summary

This bill expands the current private passenger vehicle property tax exemption for a disabled veteran. The bill specifies that a vehicle that is held in trust for and used by an individual who would otherwise qualify for the exemption is also exempt from property taxes. The bill takes effective upon approval by the Governor.

This bill is not expected to impact expenditures for the Department of Revenue (DOR). As this is an extension of an existing exemption, we anticipate that the agency will be able to administer the bill with existing staff and resources.

The bill may result in a decrease in local property tax revenue due to the expansion of the exemption for qualifying vehicles to include those held in a trust for a disabled veteran. We anticipate that these instances will be limited, and that the bill will have a minimal impact on local property tax revenue. The property tax reduction would be \$240 per vehicle on average. To the extent possible, we expect that local governments will increase millage rates to offset the reduction within the millage rate increase limitations.

Explanation of Fiscal Impact

Introduced on January 10, 2024

State Expenditure

This bill expands the current private passenger vehicle property tax exemption for a disabled veteran. The bill specifies that a vehicle that is held in trust for and used by an individual who would otherwise qualify for the exemption is also exempt from local property taxes. As this is an extension of an existing exemption, we anticipate that the bill will not impact expenditures and that DOR will be able to administer the change with existing staff and resources.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

The bill may result in a decrease in local property tax revenue due to the expansion of qualifying vehicles to include those held in a trust for a disabled veteran. Currently, 78,433 vehicles are exempt under this provision. Given the limited scope of the bill, we anticipate that the bill will have a minimal impact on local property tax revenue. The property tax reduction would be \$240 per vehicle on average. To the extent possible, we expect that local governments will increase millage rates to offset the reduction within the millage rate increase limitations.



Frank A. Rainwater, Executive Director