

REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(G.R. Smith, Clyburn, Merrill, Bales & Clemmons- Staff Contact: Kenzie Riddle)

SENATE BILL 153

S.153 -- Senators Shealy, Hembree, Nicholson, Johnson, Campsen, Cromer, McElveen: A BILL TO TO AMEND SECTION 12-37-220 OF THE 1976 CODE, RELATING TO A TAX EXEMPTION FOR A DISABLED VETERAN, TO PROVIDE THAT THE TAX EXEMPTION IS ALLOWED TO THE SURVIVING SPOUSE OF THE PERSON ON ONE PRIVATE PASSENGER VEHICLE OWNED OR LEASED BY THE SPOUSE FOR THEIR LIFETIME OR UNTIL THE REMARRIAGE OF THE SURVIVING SPOUSE

Summary of Bill:

This bill extends the current private passenger vehicle property tax exemption for disabled veterans to a surviving spouse.

Estimated Fiscal Impact:

This bill is not expected to impact State expenditures or revenues.

The bill is expected to lower local property tax revenue beginning in FY 2015-2016 by \$49,000. If all 3,365 taxpayers denied the exemption applied and were approved in the first year, the maximum local revenue reduction for FY 2015-2016 would be approximately \$625,000.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0153
 Author: Shealy
 Requestor: Senate Finance
 Date: January 16, 2015
 Subject: Disabled veteran tax exemption

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Local Expenditure	N/A	N/A
Local Revenue	\$49,000 to \$625,000	N/A

Fiscal Impact Summary

This bill is not expected to impact State expenditures or revenues.

The bill is expected to lower local property tax revenue beginning in FY 2015-16 by \$49,000. If all 3,365 taxpayers previously denied the exemption applied and were approved in the first year, the maximum local revenue reduction for FY 2015-16 would be approximately \$625,000.

Explanation of Fiscal Impact

State Expenditure

N/A

State Revenue

N/A

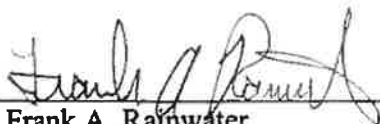
Local Expenditure

N/A

Local Revenue

The bill extends the current private passenger vehicle property tax exemption for disabled veterans to a surviving spouse. Under Section 12-37-220(B)(3), two vehicles owned or leased by a disabled veteran are exempt from local property taxes. The bill would extend the exemption for one vehicle to a surviving spouse of a disabled veteran and would go into effect immediately upon approval by the Governor. Department of Revenue records report that the agency denied 793 exemptions for surviving spouses over three years from 2012 through 2014 for an annual

average of 264. Cumulatively, DOR reports 3,365 denials for all available records. Based upon these figures, we anticipate that in an average year, an additional 264 vehicle exemptions for surviving spouses would be allowed under this provision. Based upon an average vehicle value of \$9,400 and an average millage rate of 329.2, we estimate that the annual property tax reduction for local jurisdictions would be \$49,000 beginning in FY 2015-16. If all 3,365 taxpayers previously denied exemptions applied and were approved in the first year, the maximum local revenue reduction for FY 2015-16 would be approximately \$625,000.



Frank A. Rainwater
Executive Director

Analyst(s): Jolliff

South Carolina General Assembly
121st Session, 2015-2016

S. 153

STATUS INFORMATION

General Bill

Sponsors: Senators Shealy, Hembree, Nicholson, Johnson, Campsen, Cromer and McElveen

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Introduced in the Senate on January 13, 2015

Introduced in the House on February 3, 2015

Currently residing in the House Committee on **Ways and Means**

Summary: Disabled veteran tax exemption

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
12/3/2014	Senate	Prefiled
12/3/2014	Senate	Referred to Committee on Finance
1/13/2015	Senate	Introduced and read first time (Senate Journal-page 106)
1/13/2015	Senate	Referred to Committee on Finance (Senate Journal-page 106)
1/23/2015	Senate	Committee report: Favorable Finance (Senate Journal-page 5)
1/28/2015	Senate	Read second time (Senate Journal-page 31)
1/28/2015	Senate	Roll call Ayes-40 Nays-0 (Senate Journal-page 31)
1/29/2015	Senate	Read third time and sent to House (Senate Journal-page 10)
2/3/2015	House	Introduced and read first time (House Journal-page 25)
2/3/2015	House	Referred to Committee on Ways and Means (House Journal-page 25)

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VERSIONS OF THIS BILL

[12/3/2014](#)

[1/22/2015](#)

1 ~~Indicates Matter Stricken~~
2 Indicates New Matter
3
4 COMMITTEE REPORT
5 January 22, 2015
6

7 **S. 153**

8
9 Introduced by Senators Shealy and Hembree

10
11 S. Printed 1/22/15--S.
12 Read the first time January 13, 2015.
13

14
15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 153) to amend Section 12-37-220
17 of the 1976 Code, relating to a tax exemption for a disabled veteran,
18 to provide that the tax exemption is allowed to the, etc., respectfully

19 **REPORT:**

20 That they have duly and carefully considered the same and
21 recommend that the same do pass:
22

23 HUGH K. LEATHERMAN, SR. for Committee.
24
25

26 **STATEMENT OF ESTIMATED FISCAL IMPACT**

27 **Fiscal Impact Summary**

28 This bill is not expected to impact state expenditures or revenues.
29 The bill is expected to lower local property tax revenue beginning
30 in FY 2015-16 by \$49,000. If all 3,365 taxpayers previously denied
31 the exemption applied and were approved in the first year, the
32 maximum local revenue reduction for FY 2015-16 would be
33 approximately \$625,000.

1 **Explanation of Fiscal Impact**

2 **Local Revenue**

3 The bill extends the current private passenger vehicle property tax
4 exemption for disabled veterans to a surviving spouse. Under
5 Section 12-37-220(B)(3), two vehicles owned or leased by a
6 disabled veteran are exempt from local property taxes. The bill
7 would extend the exemption for one vehicle to a surviving spouse
8 of a disabled veteran and would go into effect immediately

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10 Frank A. Rainwater, Executive Director
11 Revenue and Fiscal Affairs Office
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A BILL

TO AMEND SECTION 12-37-220 OF THE 1976 CODE, RELATING TO A TAX EXEMPTION FOR A DISABLED VETERAN, TO PROVIDE THAT THE TAX EXEMPTION IS ALLOWED TO THE SURVIVING SPOUSE OF THE PERSON ON ONE PRIVATE PASSENGER VEHICLE OWNED OR LEASED BY THE SPOUSE FOR THEIR LIFETIME OR UNTIL THE REMARRIAGE OF THE SURVIVING SPOUSE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12-37-220(B)(3) of the 1976 Code is amended to read:

“(B)(3) Two private passenger vehicles owned or leased by any disabled veteran designated by the veteran for which special license tags have been issued by the Department of Motor Vehicles under the provisions of Sections 56-3-1110 to 56-3-1130 or, in lieu of the license, if the veteran has a certificate signed by the county service officer or the Veterans Administration of the total and permanent disability which must be filed with the Department of Motor Vehicles; The exemption extends to the surviving spouse of the person on one private passenger vehicle owned or leased by the spouse for their lifetime or until the remarriage of the surviving spouse;”

SECTION 2. This act takes effect upon approval by the Governor.

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