



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3116 Introduced on January 10, 2023
Author: Felder
Subject: Disabled Veterans Property Tax
Requestor: House Ways and Means
RFA Analyst(s): Miller
Impact Date: April 25, 2023

Fiscal Impact Summary

This bill allows a veteran of the Armed Forces of the United States who is permanently and totally disabled as a result of a service-connected disability to immediately claim a property tax exemption for his owner-occupied property in the year in which the disability occurs. The veteran must file with the Department of Revenue (DOR) certifying the disability to receive this exemption.

This bill would require DOR to update its computer programming to allow the exemption to be approved in the year of purchase. DOR would also need to update its application form for the exemption. We anticipate DOR can manage these updates within existing appropriations.

This bill will result in a minimal property tax revenue reduction, as this would apply to less than 1 percent of owner-occupied properties, which would receive a property tax exemption one year earlier than what is currently allowed, beginning in tax year 2023. Additionally, RFA anticipates that local governing entities will adjust millage rates, within the millage rate limitations, to offset any loss of property tax revenue due to this bill.

Explanation of Fiscal Impact

Introduced on January 10, 2023

State Expenditure

This bill allows a veteran of the Armed Forces of the United States who is permanently and totally disabled because of a service-connected disability to immediately claim a property tax exemption for his owner-occupied property in the year in which the disability occurs. The veteran must file DOR certifying the disability to receive this exemption. Currently, veteran of the Armed Forces of the United States, who is permanently and totally disabled as a result of a service-connected disability, may claim a property tax exemption of his owner-occupied property. However, the exemption does not take effect until the year following the approval from DOR.

This bill would require DOR to update its computer programming to allow the exemption to be approved in the year of application. DOR would also need to update its application form for the

exemption. We anticipate DOR can manage these updates within existing appropriations. We will update this fiscal impact if the agency provides information indicating otherwise.

State Revenue

N/A

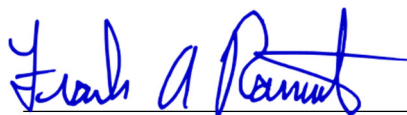
Local Expenditure

N/A

Local Revenue

This bill allows a veteran of the Armed Forces of the United States who is permanently and totally disabled as a result of a service-connected disability to immediately claim a property tax exemption for his owner-occupied property in the year in which the disability occurs. The veteran must file with DOR certifying the disability to receive this exemption. Currently, veteran of the Armed Forces of the United States, who is permanently and totally disabled as a result of a service-connected disability, may claim a property tax exemption of his owner-occupied property. However, the exemption does not take effect until the year following the approval from DOR.

This bill would allow a veteran to receive the exemption one year earlier than under current law. According to DOR, 6,331 disabled veterans qualified for this exemption in tax year 2022, which represents less than 1 percent of the total owner-occupied properties statewide. This bill will result in a minimal impact to local property tax revenue as there are a limited number of properties that would receive the exemption one year earlier than currently allowed. Additionally, we anticipate that local governing entities will adjust millage rates, within the millage rate limitations, to offset any loss of property tax revenue due to this bill. Therefore, this bill will result in a minimal local property tax revenue reduction.



Frank A. Rainwater, Executive Director