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:	H. 3410 Introduced on January 14, 2025
Subject:	Property Tax Exemption
Requestor:	House Ways and Means
RFA Analyst(s):	Miller
Impact Date:	March 3, 2026

Fiscal Impact Summary

This bill establishes a property tax exemption for two private passenger vehicles owned or leased by any permanently and totally disabled former law enforcement officer, former emergency medical technician (EMT), or former firefighter. 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. This exemption applies beginning after tax year 2024.

This bill will have no expenditure impact for the Department of Revenue (DOR), as the agency can manage the administration of this exemption within the normal course of business.

As this property tax exemption is retroactive to tax year 2025, this bill will result in a refund of approximately $1,284,000 for the property taxes paid on the 5,122 cars that qualified for the exemption in tax year 2025 in addition to an estimated $1,704,000 reduction in property tax revenue for tax year 2026, resulting in a local impact of $2,988,000 in FY 2026-27. Thereafter, the total annual estimated reduction in local property tax revenue statewide is $1,704,000 annually. This impact represents approximately 0.1 percent of the estimated annual total property tax revenue for vehicles statewide. 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 14, 2025
State Expenditure
This bill establishes a property tax exemption for two private passenger vehicles owned or leased by any permanently and totally disabled former law enforcement officer, former EMT, or former firefighter. 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. This bill will have no expenditure impact for DOR as the agency can manage the responsibilities of administering this exemption within the normal course of business.

State Revenue
N/A

Local Expenditure
N/A

Local Revenue
This bill adds a property tax exemption under Section 12-37-220(B)(3) for two private passenger vehicles owned or leased by any permanently and totally disabled former law enforcement officer, former EMT, or former firefighter. 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. Currently, two private passenger vehicles owned or leased by any disabled veteran or the spouse of the disabled veteran and two personal motor vehicles, owned or leased either solely or jointly by persons required to use wheelchairs, who qualify for special license tags under the provisions of Section 56-3-1910 are exempt from property taxes. This bill expands the property tax exemptions for two vehicles for disabled persons to include those vehicles owned or leased by any permanently and totally disabled former law enforcement officer, former EMT, or former firefighter or one vehicle for their surviving spouse.

Although the bill references Section 12-37-220(B)(1)(e), we assume that the definition of former law enforcement officer and former firefighter in Section 12-37-220(B)(1)(f) apply to this bill. Also, for the purposes of this analysis, we assume a disabled EMT would have been a certified EMT or paramedic before retirement.

The bill may result in a decrease in local property tax revenue due to the expansion of vehicles that will qualify for a property tax exemption. Revenue and Fiscal Affairs estimates that the property tax reduction would be $251 per vehicle on average for tax year 2025 and $269 per vehicle on average for tax year 2026. Based on data from the U.S. Department of Justice, the U.S. Social Security Administration, the U.S. Department of Transportation, and the South Carolina Public Employee Benefit Authority, we estimate that up to 5,122 vehicles may be exempt from property tax due to this bill.[1] [2] [3] [4]

As this property tax exemption is retroactive to tax year 2025, this bill will result in a refund of approximately $1,284,000 for the property taxes paid on the 5,122 cars that qualified for the exemption in tax year 2025 in addition to an estimated $1,704,000 reduction in property tax revenue for tax year 2026, resulting in a local impact of $2,988,000 in FY 2026-27. Thereafter,

[1] U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, "Federal Law Enforcement Officers, 2020- Statistical Tables," Revised September 29, 2023, https://bjs.ojp.gov/sites/g/files/xyckuh236/files/media/document/fleo20st.pdf
[2] U.S. Social Security Administration "Monthly Statistics Snapshot, January 2026," Retrieved March 3, 2026, https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/
[3] U.S. Department of Transportation, Bureau of Transportation "Statistics Data Analysis," November 30, 2011, https://www.bts.gov/archive/publications/freedom_to_travel/data_analysis#:~:text=appendix%20table%2031).-,Personal%20Motor%20Vehicle%20Ownership%20and%20Use,lease%20three%20or%20more%20vehicles.
[4] South Carolina Public Employee Benefit Authority, *Police Officers Retirement System (PORS) Actuarial Valuation Report as of July 1, 2024*, December 4, 2024, https://www.peba.sc.gov/sites/default/files/pors_val_2024.pdf

the total annual estimated reduction in local property tax revenue statewide is $1,704,000 annually. This impact represents approximately 0.1 percent of the estimated annual total property tax revenue for vehicles statewide. 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