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REPORT OF THE PROPERTY TAX SUBCOMMITTEE

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

HOUSE BILL 4556

H. 4556 -- Rep. Duckworth: A BILL TO AMEND SECTION 12-37-220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO ADD "EMERGENCY MEDICAL TECHNICIAN" TO THE DEFINITION "ELIGIBLE OWNER" FOR PURPOSES OF A PROPERTY TAX EXEMPTION FOR CERTAIN INDIVIDUALS WHO PERMANENTLY AND TOTALLY ARE DISABLED.

- Summary of Bill:*** This bill exempts disabled emergency medical technicians from paying property tax.
- Estimated Revenue Impact:*** This bill would have no expenditure impact on the General Funds, Federal Funds, or Other funds. The bill is expected to reduce local property tax revenue by \$1,854,000 in FY 2016-17.
- 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: H. 4556
Author: Duckworth
Subject: Property tax exemptions
Requestor: House Ways and Means
RFA Analyst(s): Jolliff
Impact Date: March 3, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
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	(\$ 1,854,000)	\$0

Fiscal Impact Summary

The bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

The bill is expected to reduce local property tax revenue by approximately \$1,854,000 in FY 2016-17.

Explanation of Fiscal Impact

State Expenditure

The Department of Revenue indicates that the bill is not expected to impact expenditures for the General Fund, Federal Funds, or Other Funds to administer the expanded property tax exemption for emergency medical technicians.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill would amend the property tax exemption in Section 12-37-220(B)(1)(e) to apply to emergency medical technicians beginning in tax year 2016. The section exempts the owner-occupied home of a qualifying individual or surviving spouse from local property taxes. The bill would expand the definition of a qualifying individual to include a former emergency medical technician who is permanently and totally disabled as a result of an emergency medical service-

connected disability. The exemption also applies to the surviving spouse of a qualifying individual or emergency medical technician killed in the line of duty.

Currently, the exemption applies to permanently and totally disabled veterans of the armed forces, former law enforcement officers, and former firefighters who have a service related disability or were killed in the line of duty and their surviving spouses. The Department of Revenue has authorized 17,263 property exemptions under this section. Based upon data from the Bureau of Labor Statistics and Department of Defense, we estimate that there are approximately 65,560 SC residents employed in these professions currently. Dividing the exemptions by the current employment figure, exemptions account for approximately 26.3% of current employment.

The bill would add emergency medical technicians to this section. There are currently 10,100 emergency medical technicians in the state certified by DHEC. Multiplying this figure by 26.3%, we estimate that adding emergency medical technicians will result in 2,660 additional exemptions. Based upon the average estimated home value for 2016 of \$150,437 and factoring in the applicable homestead exemptions for school operations and disabled persons, the property tax reduction would average approximately \$697 per exemption. In total, local property tax revenue will be reduced by approximately \$1,854,000 in FY 2016-17 as a result of this exemption.



Frank A. Rainwater, Executive Director

South Carolina General Assembly
121st Session, 2015-2016

H. 4556

STATUS INFORMATION

General Bill

Sponsors: Reps. Duckworth and Clyburn

Document Path: I:\council\bill\dk\3148sa16.docx

Introduced in the House on January 12, 2016

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

Summary: Property tax exemptions

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
12/10/2015	House	Prefiled
12/10/2015	House	Referred to Committee on Ways and Means
1/12/2016	House	Introduced and read first time (<u>House Journal-page 104</u>)
1/12/2016	House	Referred to Committee on Ways and Means (<u>House Journal-page 104</u>)

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VERSIONS OF THIS BILL

12/10/2015

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A BILL

TO AMEND SECTION 12-37-220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO ADD "EMERGENCY MEDICAL TECHNICIAN" TO THE DEFINITION "ELIGIBLE OWNER" FOR PURPOSES OF A PROPERTY TAX EXEMPTION FOR CERTAIN INDIVIDUALS WHO PERMANENTLY AND TOTALLY ARE DISABLED.

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

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

"(e) As used in this item:

(i) 'eligible owner' means:

(A) a veteran of the armed forces of the United States who is permanently and totally disabled as a result of a service-connected disability and who files with the Department of Revenue a certificate signed by the county service officer certifying this disability;

(B) a former law enforcement officer as further defined in Section 23-23-10, who is permanently and totally disabled as a result of a law enforcement service-connected disability;

(C) a former firefighter, including a volunteer firefighter as further defined in Chapter 80, Title 40, who is permanently and totally disabled as a result of a firefighting service-connected disability;

(D) a former emergency medical technician, as further defined in Section 44-61-20, who permanently and totally is disabled as a result of an emergency medical service-connected disability;

1 (ii) 'permanently and totally disabled' means the inability
2 to perform substantial gainful employment by reason of a medically
3 determinable impairment, either physical or mental, that has lasted
4 or is expected to last for a continuous period of twelve months or
5 more or result in death;

6 (iii) 'qualified surviving spouse' means the surviving
7 spouse of an individual described in subsubitem (i) while remaining
8 unmarried, who resides in the house, and who owns the house in fee
9 or for life. Qualified surviving spouse also means the surviving
10 spouse of a member of the armed forces of the United States who
11 was killed in action, or the surviving spouse of a law enforcement
12 officer, or firefighter, or an emergency medical technician who died
13 in the line of duty as a law enforcement officer, ~~or firefighter, or an~~
14 emergency medical technician as these terms are further defined in
15 Section 23-23-10, ~~and~~ Chapter 80, Title 40, ~~and Section 44-61-20,~~
16 respectively, who at the time of death owned the house in fee or
17 jointly with the now surviving spouse, if the surviving spouse
18 remains unmarried, resides in the house, and has acquired ownership
19 of the house in fee or for life;

20 (iv) 'house' means a dwelling and the lot on which it is
21 situated classified in the hands of the current owner for property tax
22 purposes pursuant to Section 12-43-220(c);”

23
24 SECTION 2. This act takes effect upon approval by the Governor
25 and applies to property tax years beginning after 2015.

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