



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