

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS  
FISCAL IMPACT STATEMENT**

**LS 6227**

**BILL NUMBER: SB 41**

**NOTE PREPARED:** Nov 7, 2024

**BILL AMENDED:**

**SUBJECT:** Assessed Value Deductions for Disabled Veterans.

**FIRST AUTHOR:** Sen. Dernulc

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill eliminates the assessed value (AV) cap that applies to the property tax deduction for a veteran who: (1) has a total disability; or (2) is at least 62 years of age and has at least a 10% disability.

**Effective Date:** July 1, 2025.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Beginning with taxes payable in 2027, this bill will result in an increase in the number of disabled veterans who may qualify for the deduction. Based on current claim rates and homestead values, an estimated additional 15,700 veterans could claim about \$220.4 M in AV deductions worth about \$4.7 M in taxes. The new deductions will cause tax rates to rise, resulting in tax shifts to other taxpayers to the extent that tax bills do not exceed the tax caps. Some of the tax shift will result in revenue losses to taxing units through higher tax cap credits. (Currently, the AV cap is \$240,000.)

**State Agencies Affected:**

**Local Agencies Affected:** County auditors; Local civil taxing units and school corporations.

**Information Sources:** LSA property tax database.

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