

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1480

January 14, 2014

SUMMARY OF BILL: Increases, from the first \$175,000 to the first \$200,000, the maximum market value on which property tax relief for eligible disabled veterans or spouses of disabled veterans is calculated.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures \$341,300/FY14-15
\$417,500/FY15-16
Exceeds \$510,600/FY16-17 and Subsequent Years

Assumptions:

- The provisions of the legislation will increase the current maximum market value of property eligible for property tax relief by 14.29 percent $\{[(\$200,000 \text{ proposed maximum} - \$175,000 \text{ previous maximum}) / \$175,000 \text{ previous maximum}] \times 100\}$.
- According to the Office of the Comptroller of the Treasury (COT), in FY12-13 there was a total of \$1,952,446 paid from the Property Tax Relief Program (PTRP) for tax relief for eligible disabled veterans and spouses of disabled veterans.
- Based on information provided by COT, in FY12-13, if an increase to the maximum market value of 14.29 percent had been added to the PTRP payment, it would have resulted in an additional \$279,005 ($\$1,952,446 \times 14.29\%$) in state expenditures for FY12-13.
- According to information provided by COT, from FY11-12 to FY12-13 there was an increase of 22.32 percent $\{[(\$1,952,446 \text{ FY12-13 payment} - \$1,596,116 \text{ FY11-12 payment}) / \$1,596,116] \times 100\}$ in PTRP payments for eligible disabled veterans and spouses of disabled veterans. COT estimates the increase of 22.32 percent in PTRP payments for disabled veterans will remain relatively constant in subsequent years.
- According to COT, this proposed legislation will cause an increase in PTRP payments to disabled veterans. The increase in state expenditures for FY14-15 is estimated to be \$341,279 ($\$279,005 \text{ increase in payments} \times 122.32\%$); for FY15-16 is estimated to be \$417,452 ($\$341,279 \times 122.32\%$); and for FY16-17 and subsequent years is estimated to exceed \$510,627 ($\$417,452 \times 122.32\%$).

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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