



HOUSE BILL 118: Disabled Veterans Tax Relief Bill.

2025-2026 General Assembly

Committee:	House Homeland Security and Military and Veterans Affairs. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 18, 2025
Introduced by:	Reps. Campbell, Loftis, Schietzelt, Chesser	Prepared by:	Amy Darden Staff Attorney
Analysis of:	PCS to First Edition H118-CSSVf-1		

OVERVIEW: *The PCS to House Bill 118 would exclude from taxation the first \$61,000 of the appraised value of a permanent residence owned and occupied by a disabled veteran or the surviving spouse of a disabled veteran who has not remarried.*

CURRENT LAW: G.S. 105-277.1C provides a property tax exclusion for certain disabled veterans. Under this exclusion, the first \$45,000 of appraised value of a permanent residence owned and occupied by a qualifying owner is excluded. Permanent residence includes the dwelling, dwelling site not to exceed one acre, and related improvements. It may be a single-family residence, a unit in a multi-family residential complex, or a manufactured home.¹ To qualify for this exclusion, the taxpayer must have a total and permanent service-connected disability or be the unmarried surviving spouse of a disabled veteran. A taxpayer is totally and permanently disabled when he or she has a physical or mental impairment that substantially precludes him or her from obtaining gainful employment and appears reasonably certain to continue without substantial improvement throughout his or her life.² Due to this requirement, current law allows this partial exemption to be requested in a single application.

BILL ANALYSIS: The PCS to House Bill 118 would increase the exclusion from the first \$45,000 to the first \$61,000 of the appraised value of a qualifying residence.

EFFECTIVE DATE: The PCS would become effective for taxes imposed for taxable years beginning on or after July 1, 2025.

¹ See G.S. 105-277.1(b)(3).

² See G.S. 105-277.1(b)(4).

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Legislative Analysis
Division
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