

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 118
PROPOSED COMMITTEE SUBSTITUTE H118-PCS10208-SVf-1

Short Title: Disabled Veterans Tax Relief Bill.

(Public)

Sponsors:

Referred to:

February 17, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE DISABLED VETERAN PROPERTY TAX HOMESTEAD
3 EXCLUSION AMOUNT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-277.1C reads as rewritten:

6 "**§ 105-277.1C. Disabled veteran property tax homestead exclusion.**

7 (a) Classification. – A permanent residence owned and occupied by a qualifying owner
8 is designated a special class of property under Article V, Section 2(2) of the North Carolina
9 Constitution and is taxable in accordance with this section. The first ~~forty-five~~ sixty-one thousand
10 dollars ~~(\$45,000)~~ (\$61,000) of appraised value of the residence is excluded from taxation. A
11 qualifying owner who receives an exclusion under this section may not receive other property
12 tax relief.

13 (b) Definitions. – The following definitions apply in this section:

14 (1) Disabled veteran. – A veteran of any branch of the Armed Forces of the United
15 States whose character of service at separation was honorable or under
16 honorable conditions and who satisfies one of the following requirements:

17 a. As of January 1 preceding the taxable year for which the exclusion
18 allowed by this section is claimed, the veteran had received benefits
19 under 38 U.S.C. § 2101.

20 b. The veteran has received a certification by the United States
21 Department of Veterans Affairs or another federal agency indicating
22 that, as of January 1 preceding the taxable year for which the exclusion
23 allowed by this section is claimed, ~~he or she~~ the veteran has a
24 service-connected, permanent, and total disability.

25 c. The veteran is deceased and the United States Department of Veterans
26 Affairs or another federal agency has certified that, as of January 1
27 preceding the taxable year for which the exclusion allowed by this
28 section is claimed, the veteran's death was the result of a
29 service-connected condition.

30 (2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
31 taxable years beginning on or after July 1, 2009.

32 (3) Permanent residence. – Defined in G.S. 105-277.1.

33 (4) Property tax relief. – Defined in G.S. 105-277.1.

34 (4a) Qualifying owner. – An owner, as defined in G.S. 105-277.1, who is a North
35 Carolina resident and one of the following:

36 a. A disabled veteran.



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1 b. The surviving spouse of a disabled veteran who has not remarried.
2 (5), (6) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for
3 taxable years beginning on or after July 1, 2009.
4 (7) Service-connected. – Defined in 38 U.S.C. § 101.
5 "
6 **SECTION 2.** This act is effective for taxes imposed for taxable years beginning on
7 or after July 1, 2025.