

DEPARTMENT OF TAXATION

2025 Fiscal Impact Statement

1. **Patron** Michael B. Feggans

2. **Bill Number** HB 1868

3. **Committee** Passed House and Senate

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Real Property Tax; Exemption for surviving spouses of a member of the armed forces who died in the line of duty

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would clarify that the real property tax exemption on the principal place of residence for surviving spouses of soldiers who died in the line of duty, as determined by the U.S. Department of Defense, includes the death of any such member that was the result of suicide.

If enacted during the regular session of the 2025 General Assembly this bill would become effective July 1, 2025.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

This bill may have an unknown impact on local administrative costs. This bill would have no impact on state administrative costs.

Revenue Impact

To the extent that this bill expands the existing real property tax exemption, the bill may have a negative impact to local revenues. This bill would have no impact on state revenues.

9. **Specific agency or political subdivisions affected:**

All localities.

10. **Technical amendment necessary:** No.

11. Other comments:

Classification of Real Property for Surviving Spouses of a Member of the Armed Forces Who Died in the Line of Duty

Current law provides that, beginning with Taxable Year 2015, any locality may declare real property owned by a surviving spouse of a member of the Armed Forces of the United States who died in the line of duty with a line of duty determination from the U.S. Department of Defense to be a separate class of property for local taxation of real property. Such classification would continue for as long as the spouse occupies the real property as his principal place of residence and does not remarry. This class of property may be taxed at a different rate than that imposed on the general class of real property, provided that the rate of tax is greater than zero and does not exceed the rate of tax on the general class of real property.

A Line of Duty determination includes servicemembers who incurred an injury or disease while in a qualified military duty status, whether it was aggravated by military duty, which lead to their death.

Proposal

This bill would clarify that the real property tax exemption on the principal place of residence for surviving spouses of soldiers who died in the line of duty, as determined by the U.S. Department of Defense, includes the death of any such member that was the result of suicide.

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cc : Secretary of Finance

Date: 03/07/2025 KS
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