

148TH GENERAL ASSEMBLY

FISCAL NOTE

BILL: SENATE BILL NO. 186
SPONSOR: Senator Townsend
DESCRIPTION: AN ACT TO AMEND TITLE 14 AND TITLE 29 OF THE DELAWARE CODE RELATING TO SCHOOL TAXES.

ASSUMPTIONS:

1. This Act is effective upon signature of the Governor.
2. This Act will create the Disabled Veteran School Tax Refund Fund whereby a resident who is a disabled veteran, regardless of age, and owns and occupies a principal residence, will receive a refund against school property taxes depending on his/her disability rating. A qualified individual with a disability rating of 10% to 20% may receive a refund of \$200; a rating of 30% to 40% may receive a refund of \$350; and a rating of greater than 60% may receive a refund of \$500.
3. An individual qualified to receive the Disabled Veteran School Tax Refund and the Senior School Property Tax Refund will only receive one refund from either program, but not both.
4. There are an estimated 4,346 disabled veteran property owners under the age of 65 who would be eligible to receive the Disabled Veteran School Tax Refund pursuant to this Act. Below is the methodology used to develop this estimate based on the assumptions as indicated:
 - A. Number of Veterans in Delaware Receiving Disability Compensation: 11,404
 - B. Homeowner Rate in Delaware: 72.5%
 - C. Estimated Disabled Veterans Owning a Home: 8,268 (A X B = C)
 - D. Percentage of Delaware Veterans 65 or older: 47.4%
 - E. Estimated Disabled Veterans 65+ Receiving Sr. Property Credit: 3,922 (C X D = E)
 - F. Estimated Disabled Veterans Eligible for Disabled Veteran Refund: 4,346 (C – E = F)
5. Based on information from the Department of Finance, the estimated average Senior School Property Tax Credit is \$368 and this value is assumed as the average refund for the Disabled Veteran School Tax Refund.
6. This Act establishes the Disabled Veteran School Tax Refund Fund at \$3,000,000. However, the projected impact of the program is less than the \$3,000,000 identified in the Act.

Cost:

Fiscal Year 2017: \$1,599,300
Fiscal Year 2018: \$1,599,300
Fiscal Year 2019: \$1,599,300