

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**HOUSE BILL 118  
Committee Substitute Favorable 3/18/25**

Short Title: Disabled Veterans Tax Relief Bill.

(Public)

Sponsors:

Referred to:

February 17, 2025

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

(2) Repealed by Session Laws 2009-445, s. 22(c), effective for taxes imposed for taxable years beginning on or after July 1, 2009.

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

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

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

a. A disabled veteran.



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.