

South Carolina Office of Research and Statistics

Statement of Estimated Local Revenue Impact

Date: January 19, 2010

Bill Number: H.B. 4170

Authors: Clemmons, Viers, Edge, Hardwick and Hearn

Committee Requesting Impact: House Ways and Means

Bill Summary

A bill to amend Section [4-10-970](#), Code of Laws of South Carolina, 1976, relating to uses allowed for revenues of the Local Option Tourism Development Fee, so as to allow amounts up to twenty percent of the revenue to be used for property tax relief for owner-occupied residential property and for tourism-related capital projects beginning in the second rather than the third year of imposition of the fee, to require the amounts used for these purposes to be retained by the municipality with at least twenty percent of the amount returned used as a credit against the property tax liability of owner-occupied residential property and provide for the calculation of the credit, and to provide for the use of credits in excess of the municipal property tax liability.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State or local revenues.

Explanation

This bill amends the Local Option Tourism Development Fee which was enacted by Act 3 of 2009. This Act allows a county in which at least fourteen million dollars of State accommodations tax revenues have been collected in a fiscal year and a municipality located in such a county to impose a fee not to exceed one percent of items subject to the South Carolina Sales and Use Tax Act. Horry county is the only county in the State with at least fourteen million dollars in State accommodations tax collections. Under current law, some of the revenues generated from this fee can be used for property tax rollbacks on owner-occupied real property or tourism related capital projects in the third year of the fee. This bill would allow some of the revenues generated from this fee to be used for a property tax credit on owner-occupied real property or tourism related capital projects in the second year of the fee. Since this bill only changes the year in which these additional purposes of the fee can be used, this bill is not expected to impact State or local revenues.

/s/ WILLIAM C. GILLESPIE, Ph.D.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Gibson

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.