

# South Carolina Office of Research and Statistics

## Statement of Estimated Local Revenue Impact

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**Date:** March 23, 2010

**Bill Number:** S.B. 1270 as amended by Subcommittee March 17, 2010

**Authors:** Rose

**Committee Requesting Impact:** Senate Finance

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### Bill Summary

A bill to amend Sections [12-60-1750](#) and [12-43-220](#) of the 1976 Code, relating to refunds of property taxes, to provide that no refund must be given for a change in assessment ratios to the special four percent assessment ratio unless the application was timely filed; and to further amend Section [12-43-220](#), relating to the special four percent assessment ratio, to provide that the property may only be claimed at the four percent assessment ratio for the pro-rata portion of the year in which the property was the legal residence.

### REVENUE IMPACT <sup>1/</sup>

This bill is not expected to impact State revenues. The amount of property tax refunds issued would decrease by an estimated \$2.0 million.

### Explanation

**Section 1 and 2** Currently, there is some ambiguity of the time frame that a refund for property changing from the 6.0% to 4.0% assessment ratio can be sought. Also, the refund can go back for two years. This section clarifies that a taxpayer will not be eligible to receive a property tax refund on property that changes from the 6.0% assessment ratio to the special 4.0% assessment ratio unless the taxpayer applies for the special 4.0% assessment ratio before the first penalty date for the payment of taxes for the tax year the owner claims the refund. Based on conversations with county officials, we project this clarification will reduce property tax refunds issued by \$2.0 million.

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

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Chief Economist

**Analyst:** Gibson

<sup>1/</sup> 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.