

South Carolina Office of Research and Statistics

Statement of Estimated Local Revenue Impact

Date: February 15, 2011

Bill Number: S.B. 424

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Committee Requesting Impact: Senate Finance

Bill Summary

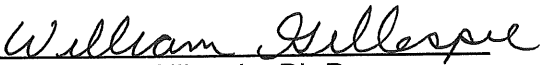
A bill to amend Section 12-43-220, as amended, Code of Laws of South Carolina, 1976, relating to the classification of property and the applicable assessment ratios for the various classes of property for purposes of imposition of the property tax, so as to require an applicant for the special four percent assessment ratio allowed on owner-occupied residential property to provide the social security numbers of the owners and members of their household, to clarify the legal resident certification required in that application, to define "legally separated" for purposes of that certificate, to provide that the special four percent assessment ratio allowed on owner-occupied residential property applies to the value representing the taxpayer's ownership interest in the residence when that interest was acquired by deed and provide exceptions for married persons and persons legally separated, to provide that the homestead exemption from property tax millage imposed for school operations allowed on owner-occupied residential property applies only to the value attributable to the taxpayer's ownership interest subject to the exception for married people and surviving spouses, and to allow a county assessor to require taxpayers owning residential property receiving the special four percent assessment ratio to requalify the property periodically, but not more than once in three years.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. Local property tax revenues would increase by an estimated \$2.8 million as homes that currently are assessed at 4.0% for the entire value become subject to a 6.0% assessment ratio.

Explanation

This bill pertains to requirements for getting the special 4.0% assessment ratio on owner-occupied homes. Under current law, a home can be assessed at the special 4.0% assessment ratio if any fraction of the home is deeded to the resident of the home. This bill would only give the special 4.0% assessment ratio to the fraction of ownership that the taxpayer possesses in the property. This bill also further defines legally separated for purposes of receiving the special 4.0% assessment ratio. We estimate this bill would increase local property tax revenues by \$2.8 million as homes that currently are assessed at 4.0% for the entire value become subject to a 6.0% assessment ratio.


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, or 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.