

South Carolina Office of Research and Statistics

Statement of Estimated Local Revenue Impact

Date: February 15, 2011
Bill Number: S.B. 40
Authors: McConnell, Campsen and Rankin
Committee Requesting Impact: Senate Finance

Bill Summary

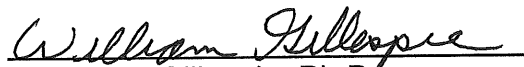
A bill to amend Section 12-43-220, as amended, Code of Laws of South Carolina, 1976, relating to valuation and classification of property for purposes of the property tax, so as to provide that the owner-occupant of residential property qualifies for the four percent assessment ratio allowed owner-occupied residential property, if the owner is otherwise qualified and the residence is not rented for more than ninety days a year; to allow refunds or credits to owner-occupants who qualify for the four percent assessment ratio due to the amendments contained herein; to delete other references to rental of these residences; and to amend section 12-54-240 relating to disclosure of records, reports, and returns with the Department of Revenue, so as to provide that verification that the Federal Schedule E conforms with the same document required by a county assessor is not prohibited.

REVENUE IMPACT ^{1/}

Local property taxes would be reduced by an estimated \$1,275,000 in a typical year as a result of homes currently receiving a 6.0% assessment ratio getting the 4.0% owner-occupied assessment ratio.

Explanation

Under current law, owner occupied homes are assessed at 4.0% for property tax purposes. All other homes are assessed at 6.0% for property tax purposes. Also, under current law, an owner-occupied home can be rented out for less than fifteen days and still get the 4.0% assessment ratio. This bill would allow the home to keep the 4.0% assessment ratio if it is not rented for more than ninety days in a calendar year. Based on conversations with various county assessors' offices and other county offices, we estimate local property taxes will be reduced by \$1,275,000 in a typical year as a result of homes currently receiving a 6.0% assessment ratio getting the 4.0% owner-occupied 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.