

PROPERTY TAX REVIEW & ANALYSIS

REQUESTED BY

HOUSE TAX POLICY REVIEW COMMITTEE

September 27, 2016



South Carolina Revenue and Fiscal Affairs Office

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PROPERTY TAX - BASICS

Fair Market or Appraised Value

times

Assessment Ratio

equals

Assessed Value

Assessed Value

times

Millage Rate

equals

Property Tax Liability



§1, §6 – FAIR MARKET VALUE

Tax based on fair market value; fair market value of real property is limited to 15 percent growth over five years.



§3 - EXEMPTIONS

- ❖ Government property, hospitals, churches, household goods, manufacturing inventories, other...
- ❖ Statutory exemptions authorized by two-thirds vote; homestead exemptions only require majority vote.

Section 12-37-220(b)



§6 – ASSESSMENT RATIOS

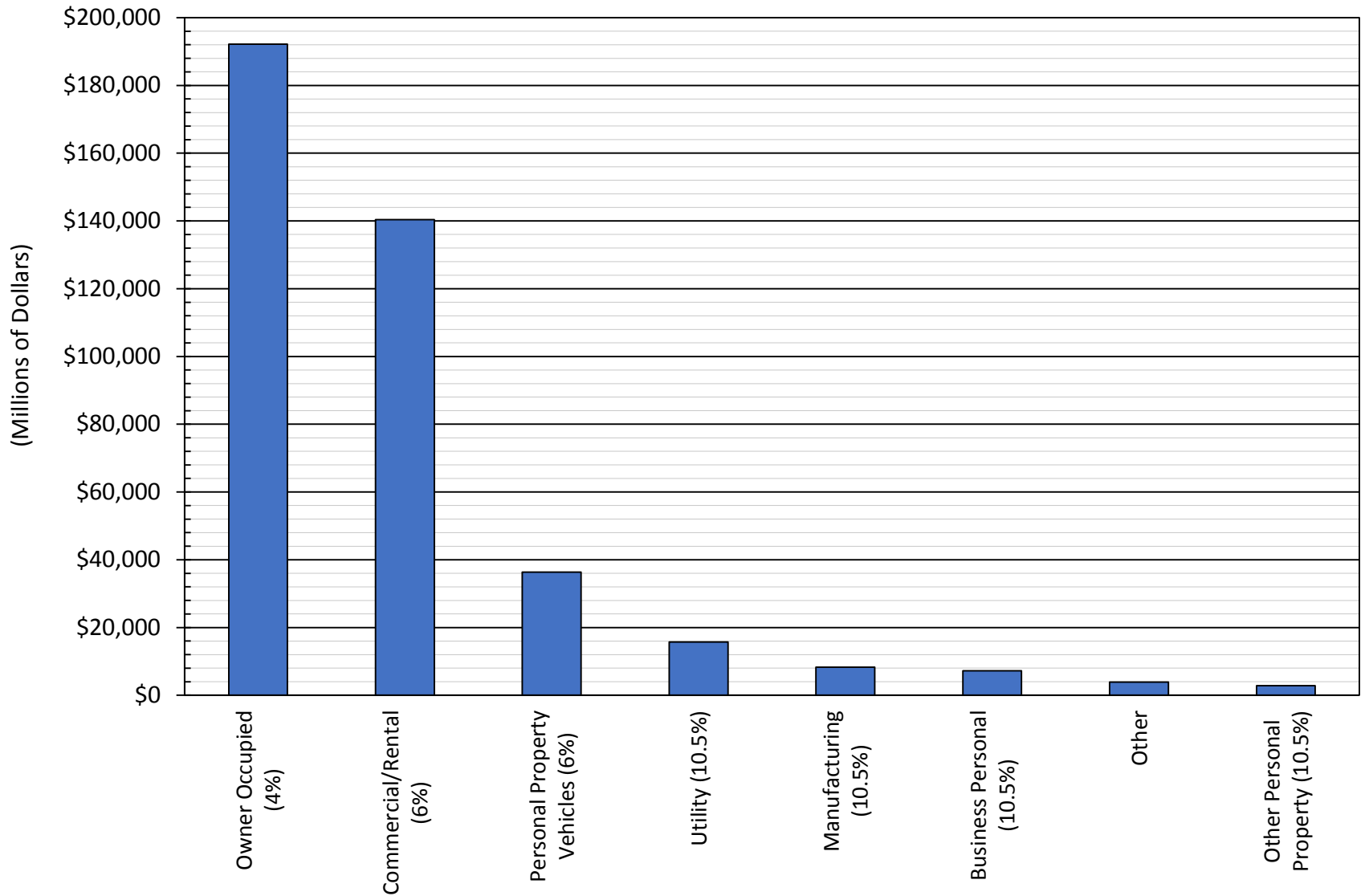
Manufacturing	10.5%
Transportation Companies	9.5%
Legal Residences	4.0%
Agriculture	4.0 or 6.0%
Commercial	6.0%
Farm Machinery	5.0%
Vehicles	6.0%
Other Personal Property	10.5%



PROPERTY TAX APPRAISED & ASSESSED VALUE

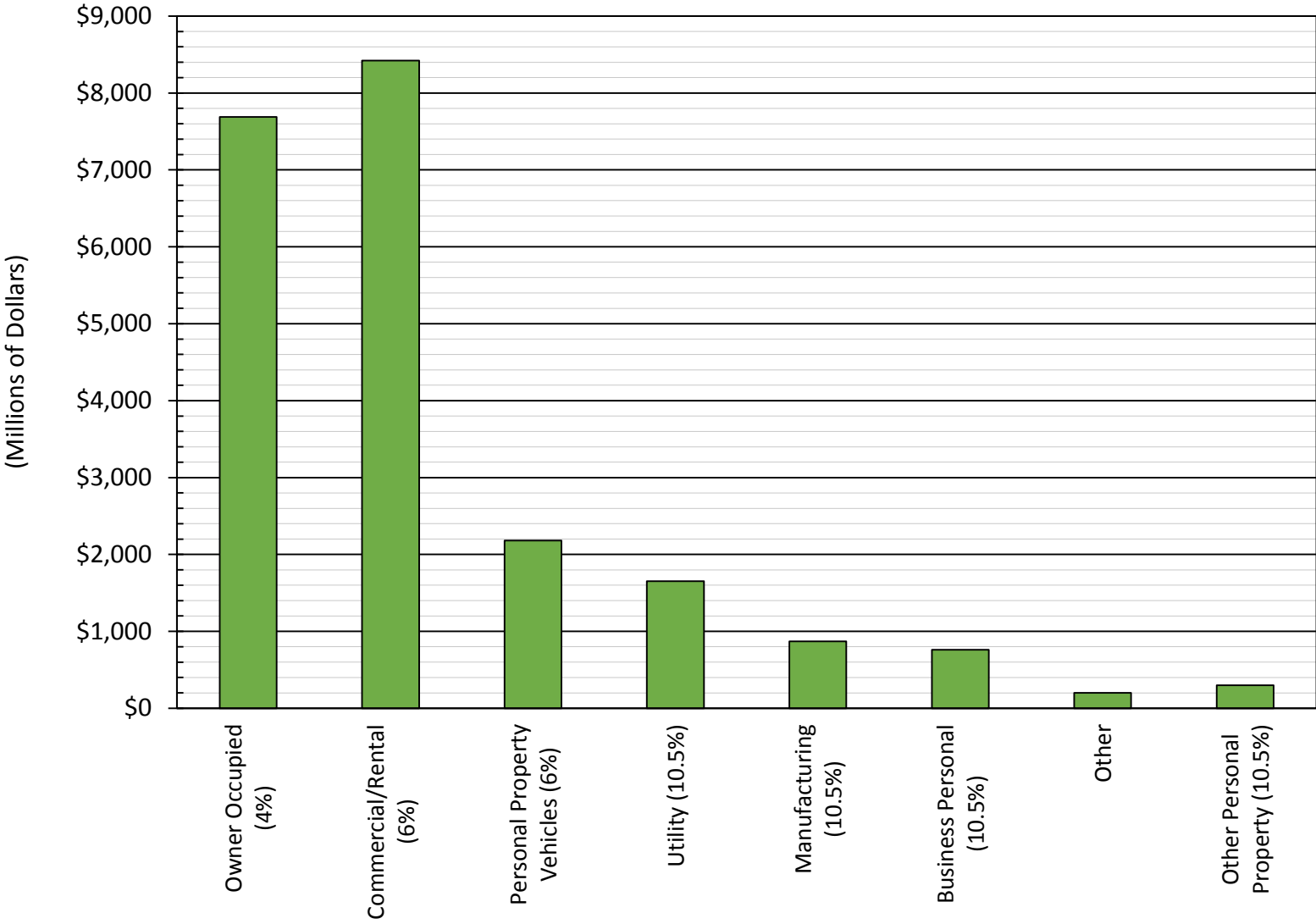


APPRAISED VALUE BY PROPERTY CLASSIFICATION TAX YEAR 2014



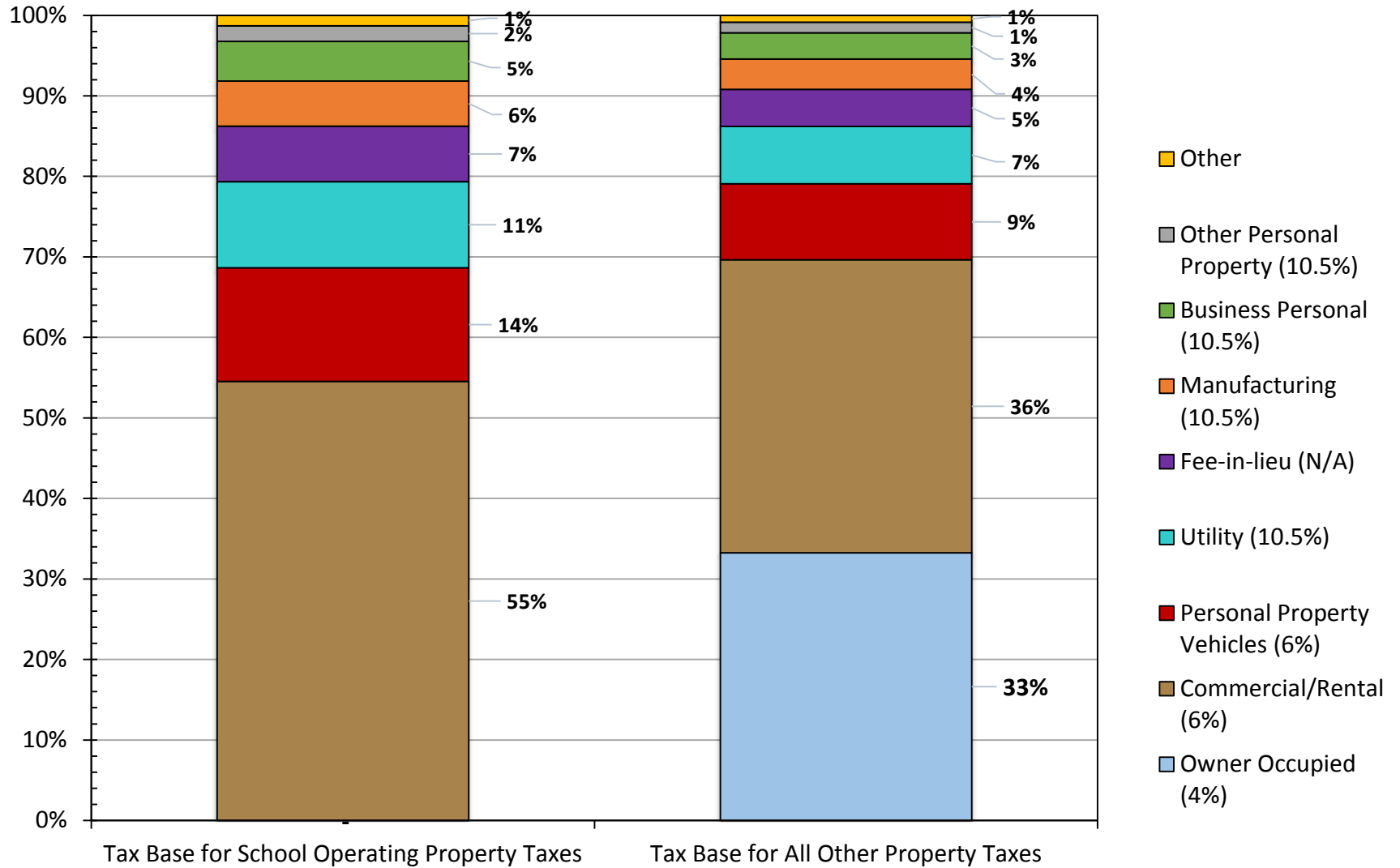
Note: Assessment ratio noted in parentheses. Other includes agricultural real property and motor carrier property.

ASSESSED VALUE BY PROPERTY CLASSIFICATION TAX YEAR 2014



Note: Assessment ratio noted in parentheses. Other includes agricultural real property and motor carrier property.

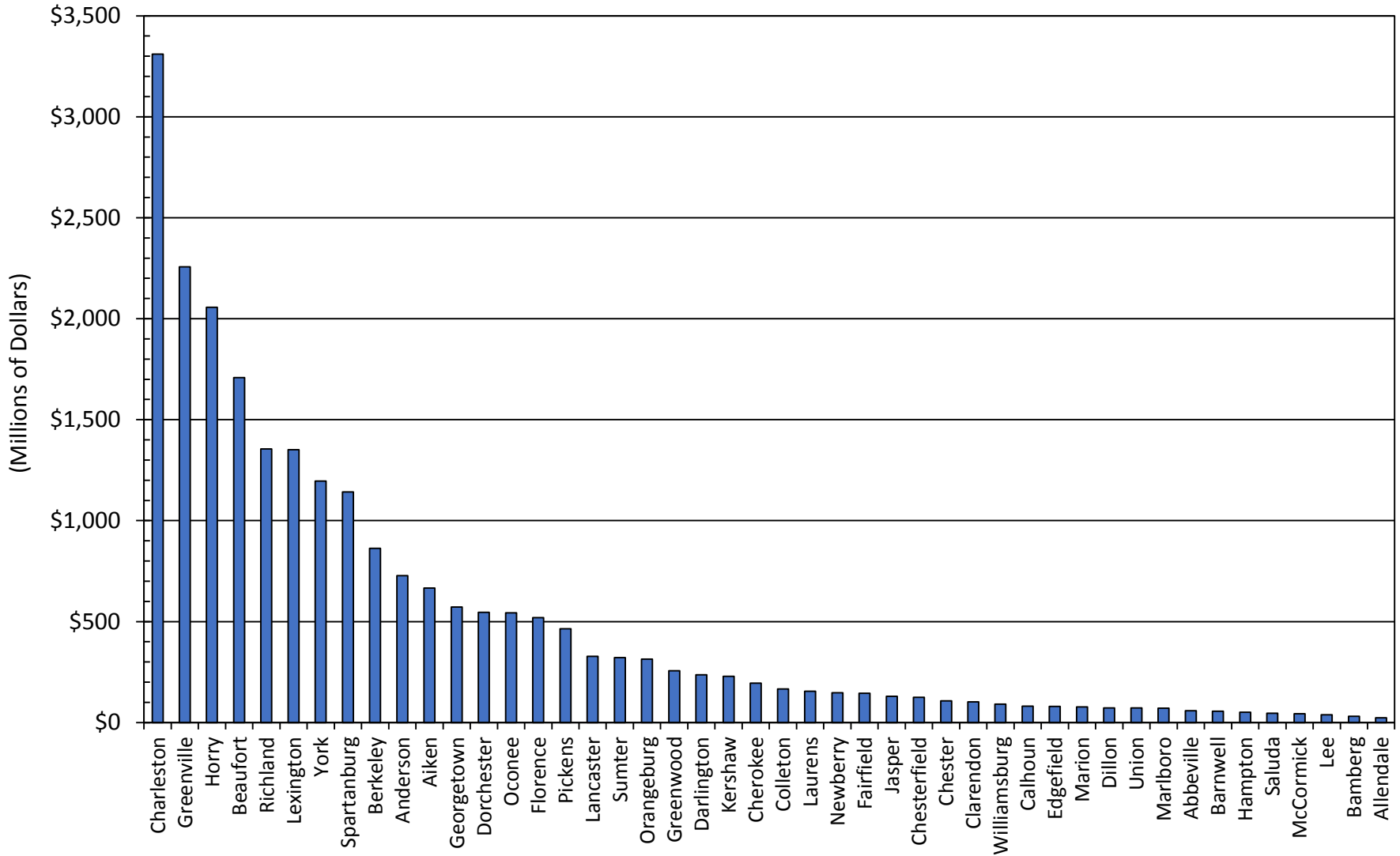
TAX YEAR 2014 ASSESSED VALUE BY CLASSIFICATION As a Percentage of Total Tax Base



Note: Assessment ratio noted in parentheses. Other includes agricultural real property and motor carrier property.

TOTAL ASSESSED PROPERTY VALUE - TAX YEAR 2014

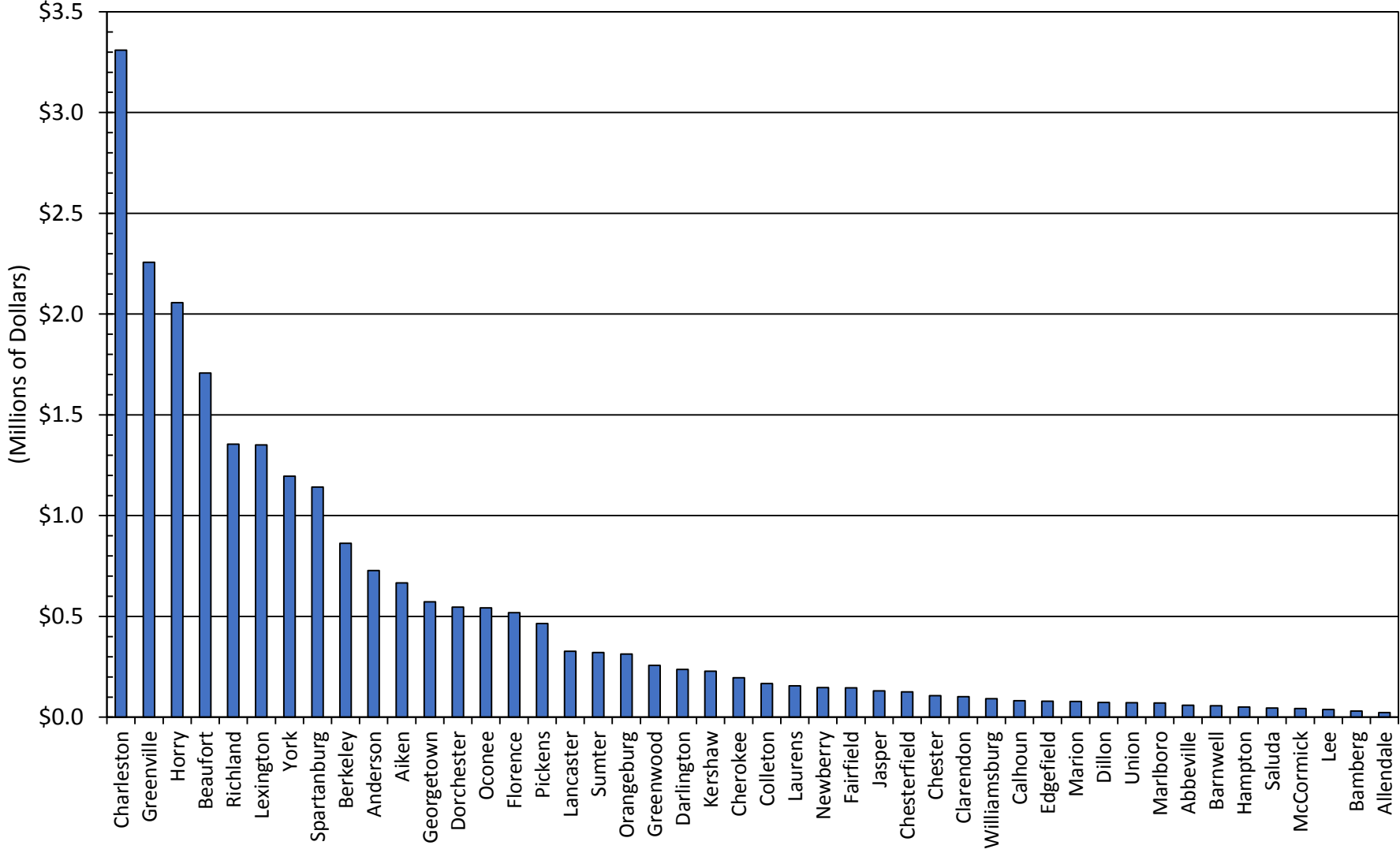
By County



Note: Assessed value is reported by school district and attributed to the county encompassing the majority of the district.

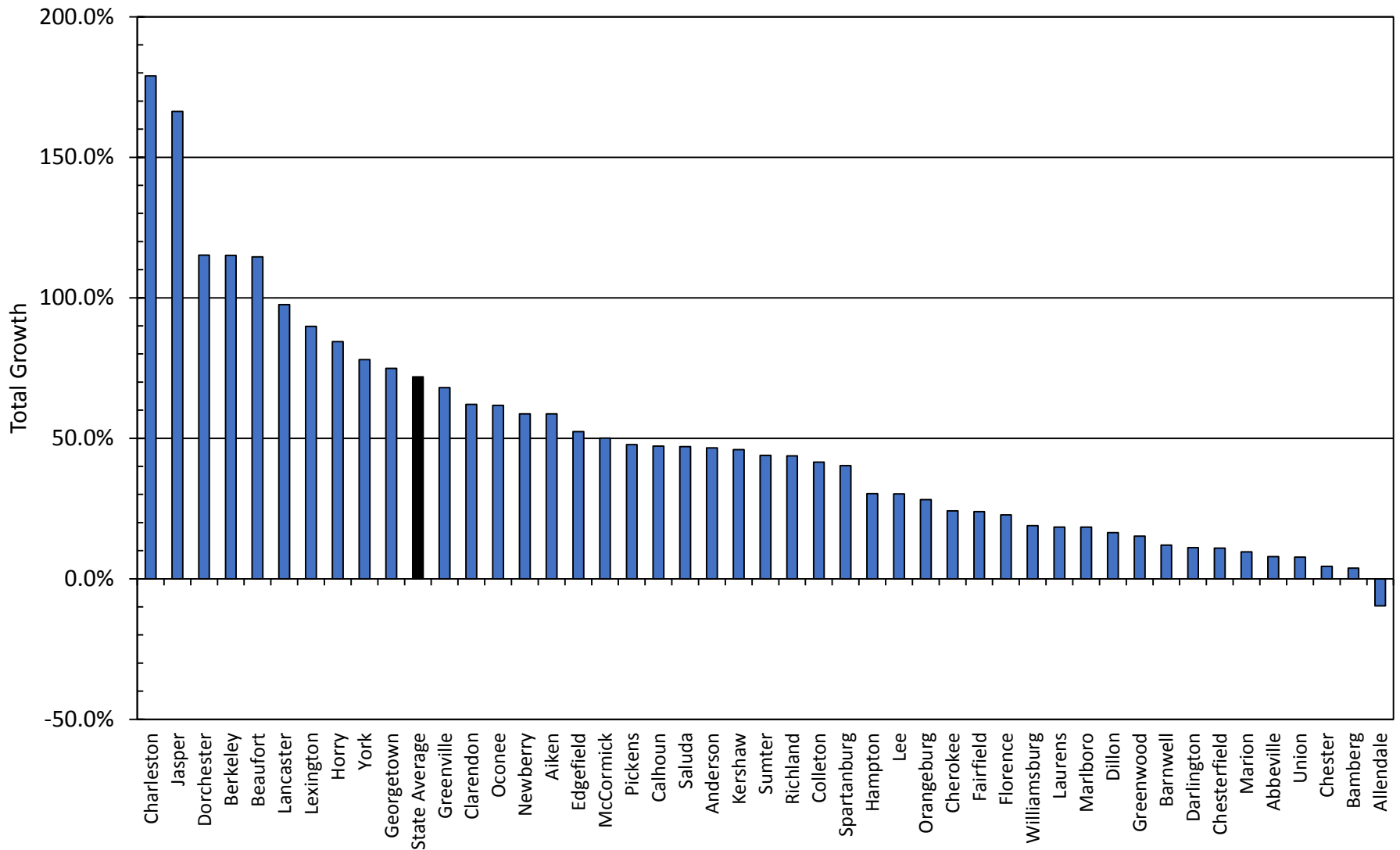
VALUE OF ONE MIL - TAX YEAR 2014

By County



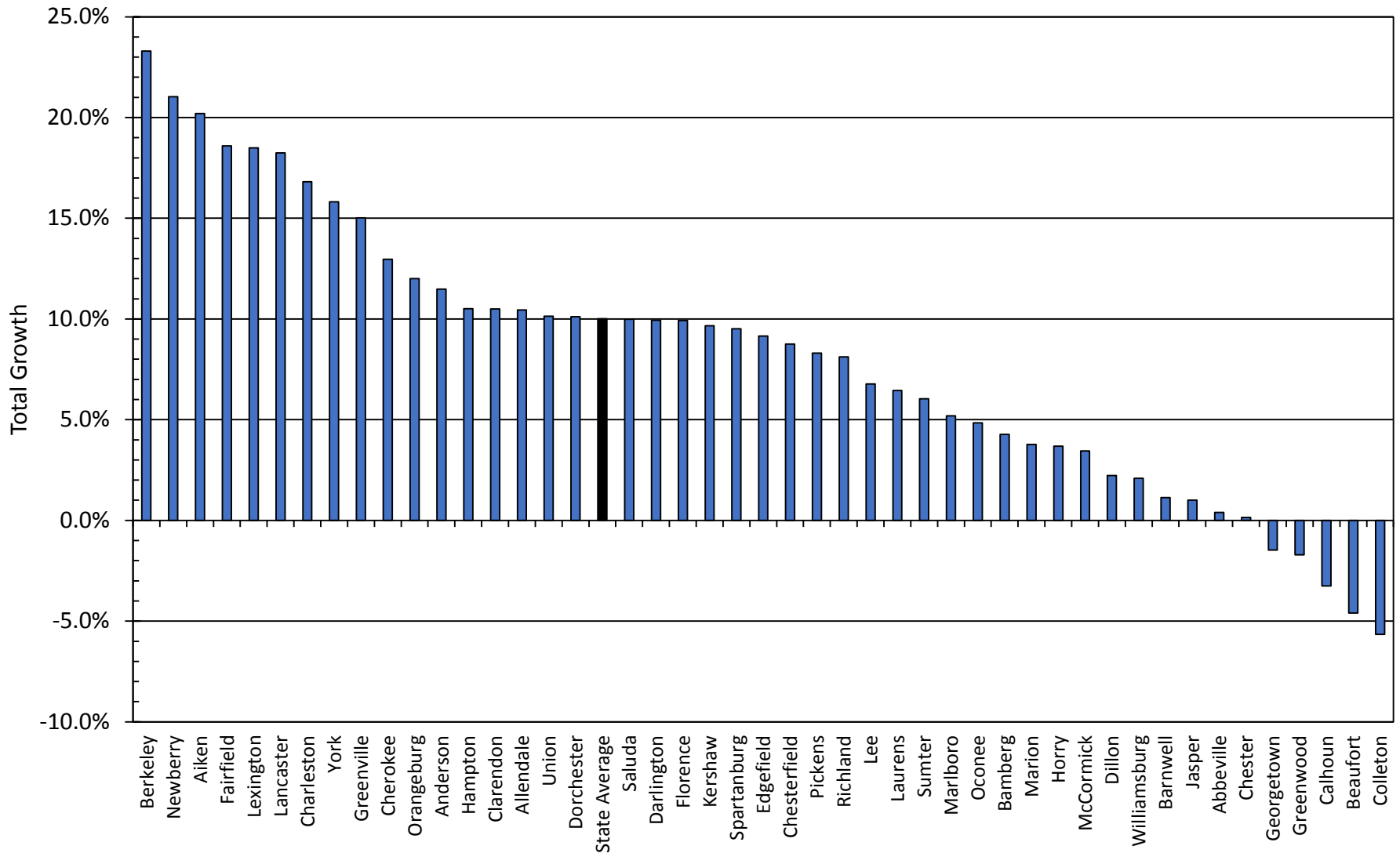
Note: Includes owner-occupied (exempt from school operating) and fee-in-lieu. Assessed value is reported by school district and attributed to the county encompassing the majority of the district.

PROPERTY TAX ASSESSED VALUE GROWTH BY COUNTY 2000 to 2014



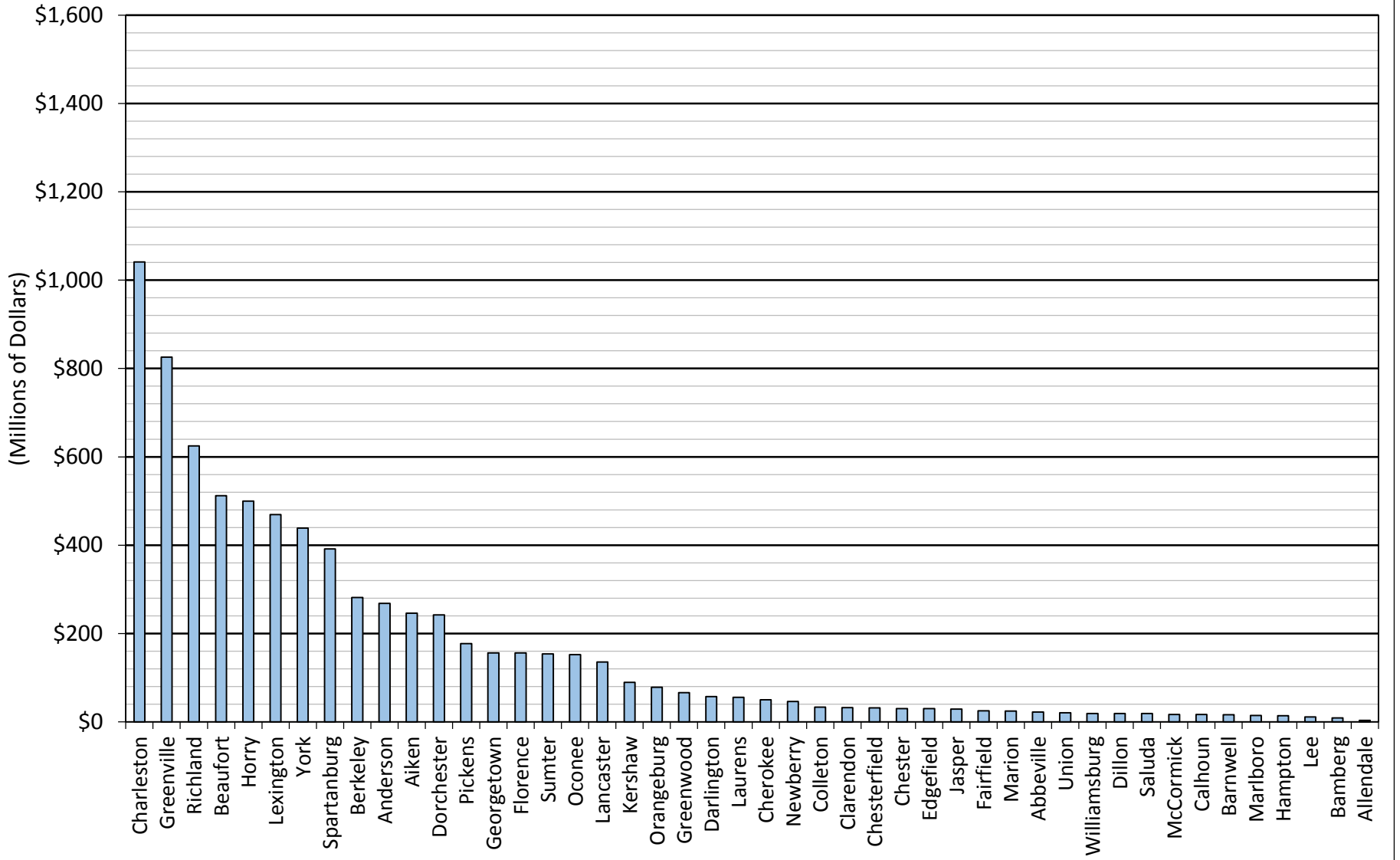
Note: Assessed value is reported by school district and attributed to the county encompassing the majority of the district.

PROPERTY TAX ASSESSED VALUE GROWTH BY COUNTY Post Act 388 and Recession, 2008 to 2014



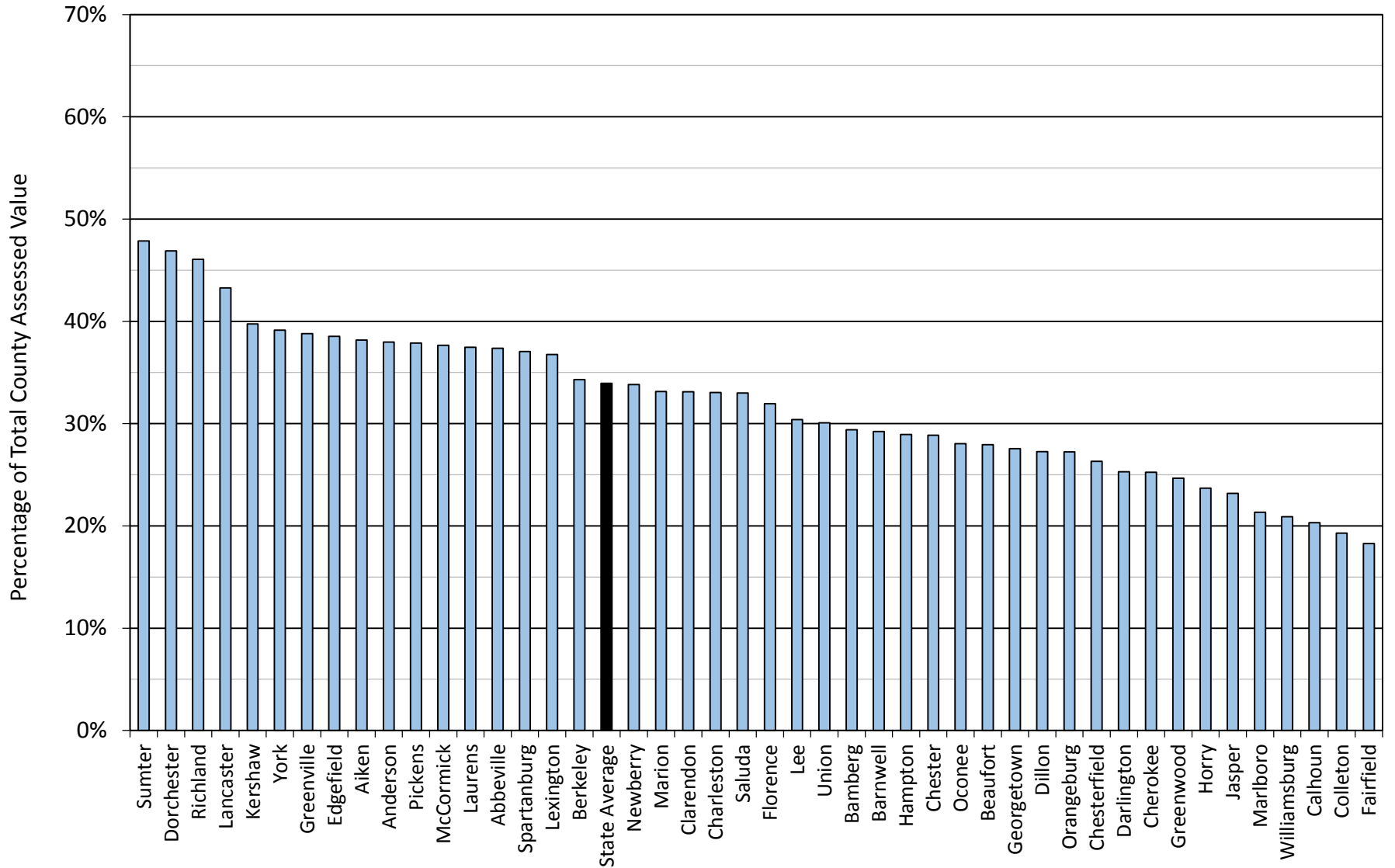
Note: Assessed value is reported by school district and attributed to the county encompassing the majority of the district.

OWNER-OCCUPIED PROPERTY ASSESSED VALUE By County - Tax Year 2013

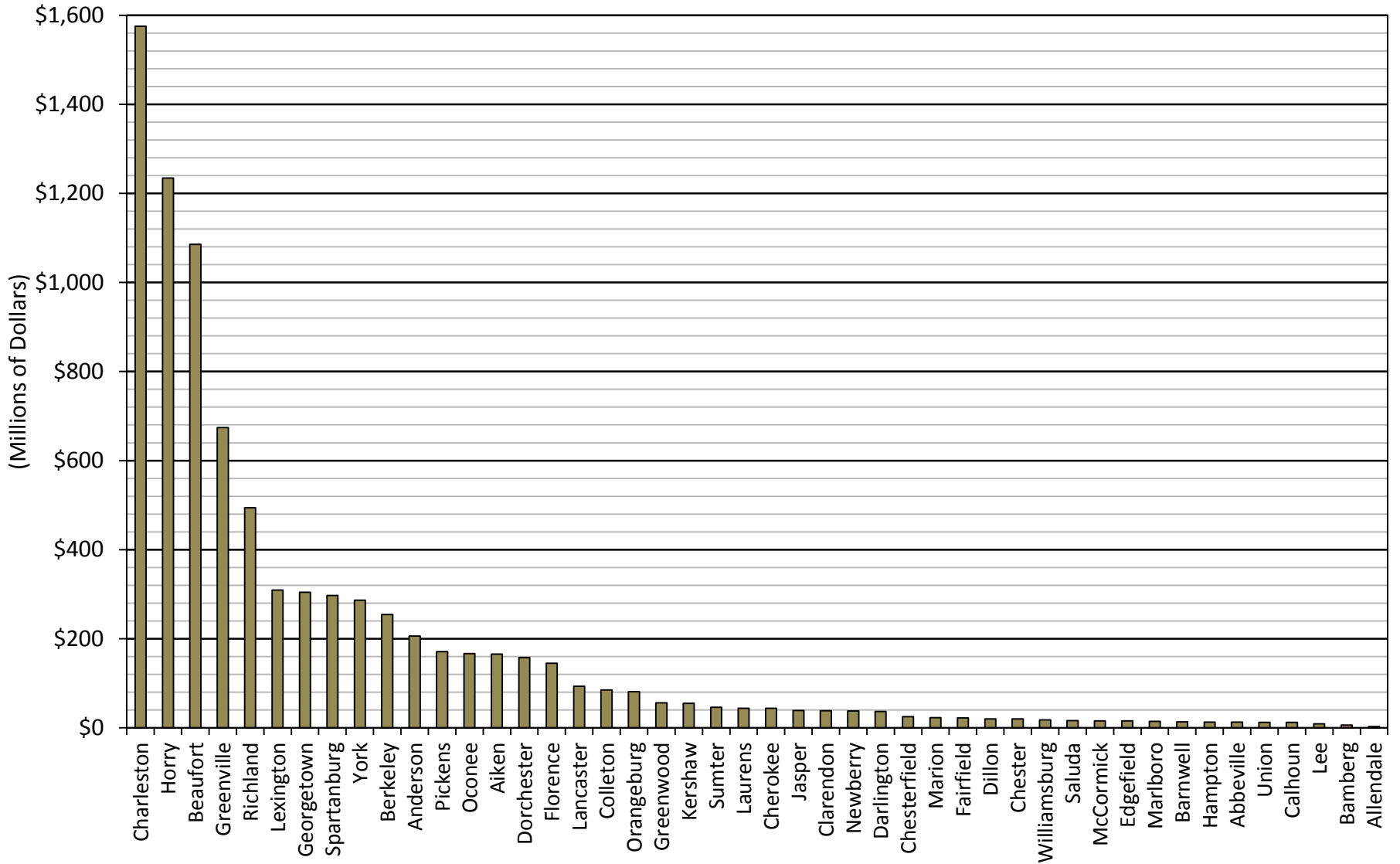


OWNER-OCCUPIED PROPERTY VALUE

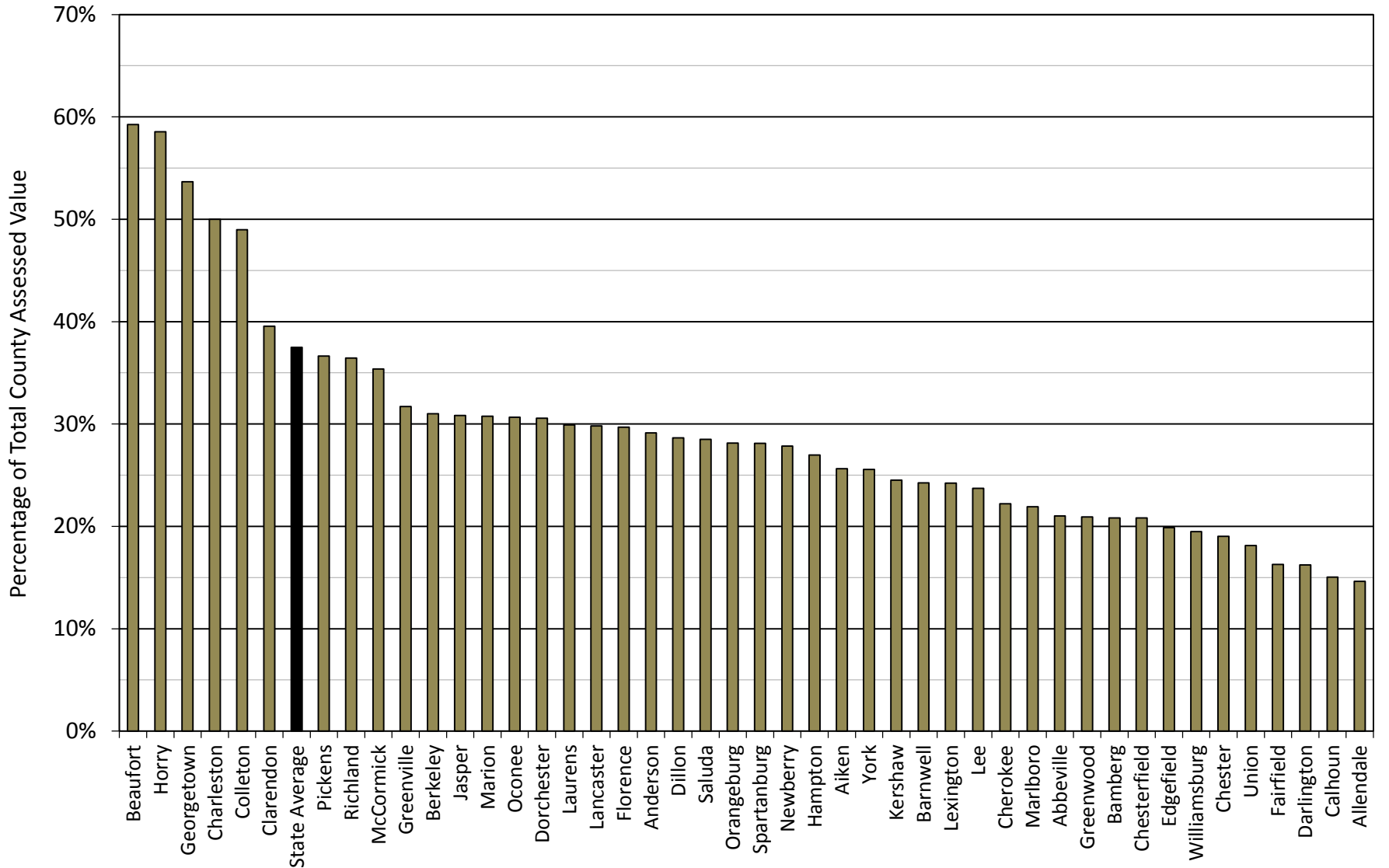
As a Percentage of Total County Assessed Value - Tax Year 2013



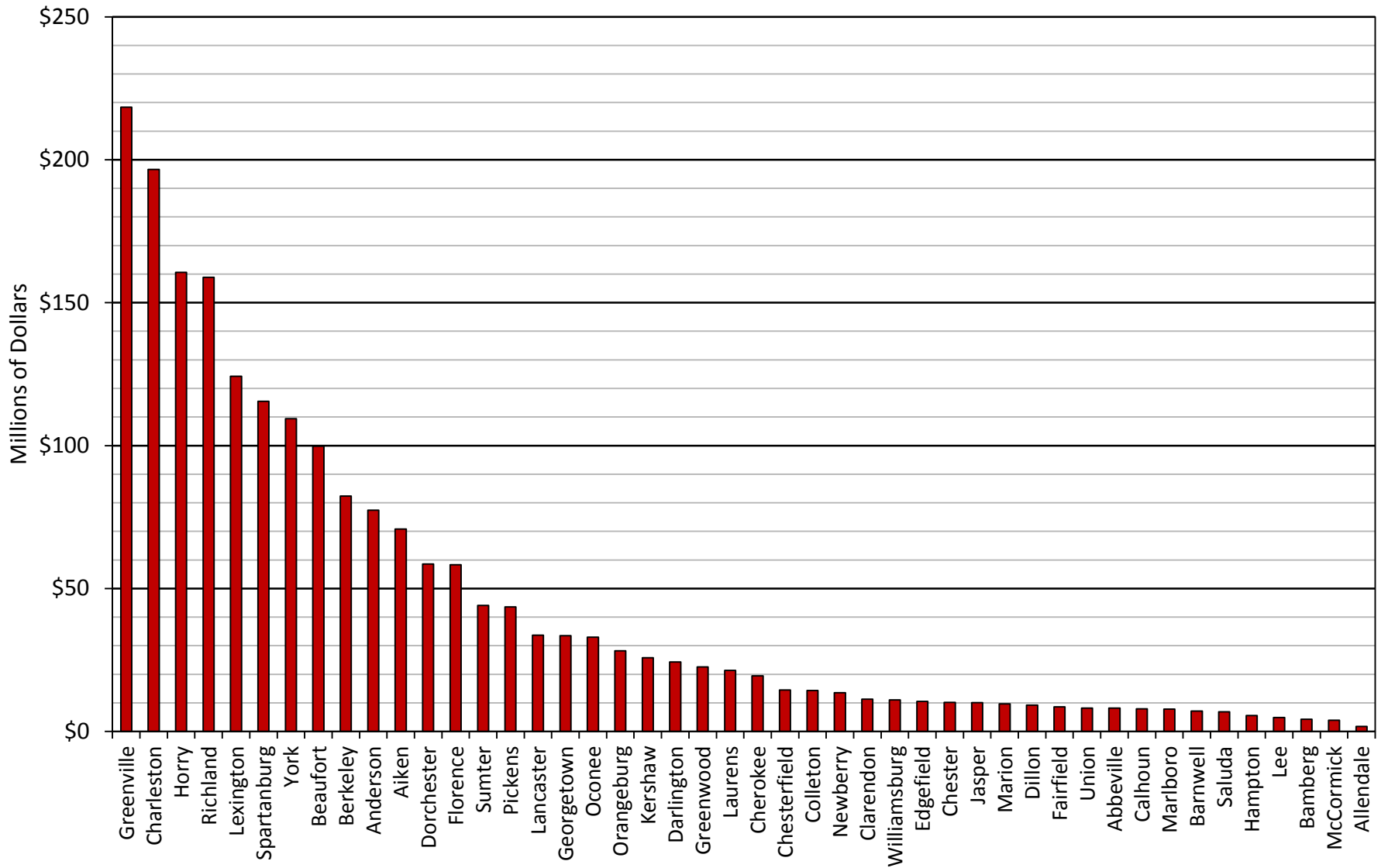
COMMERCIAL & RENTAL PROPERTY ASSESSED VALUE Tax Year 2013



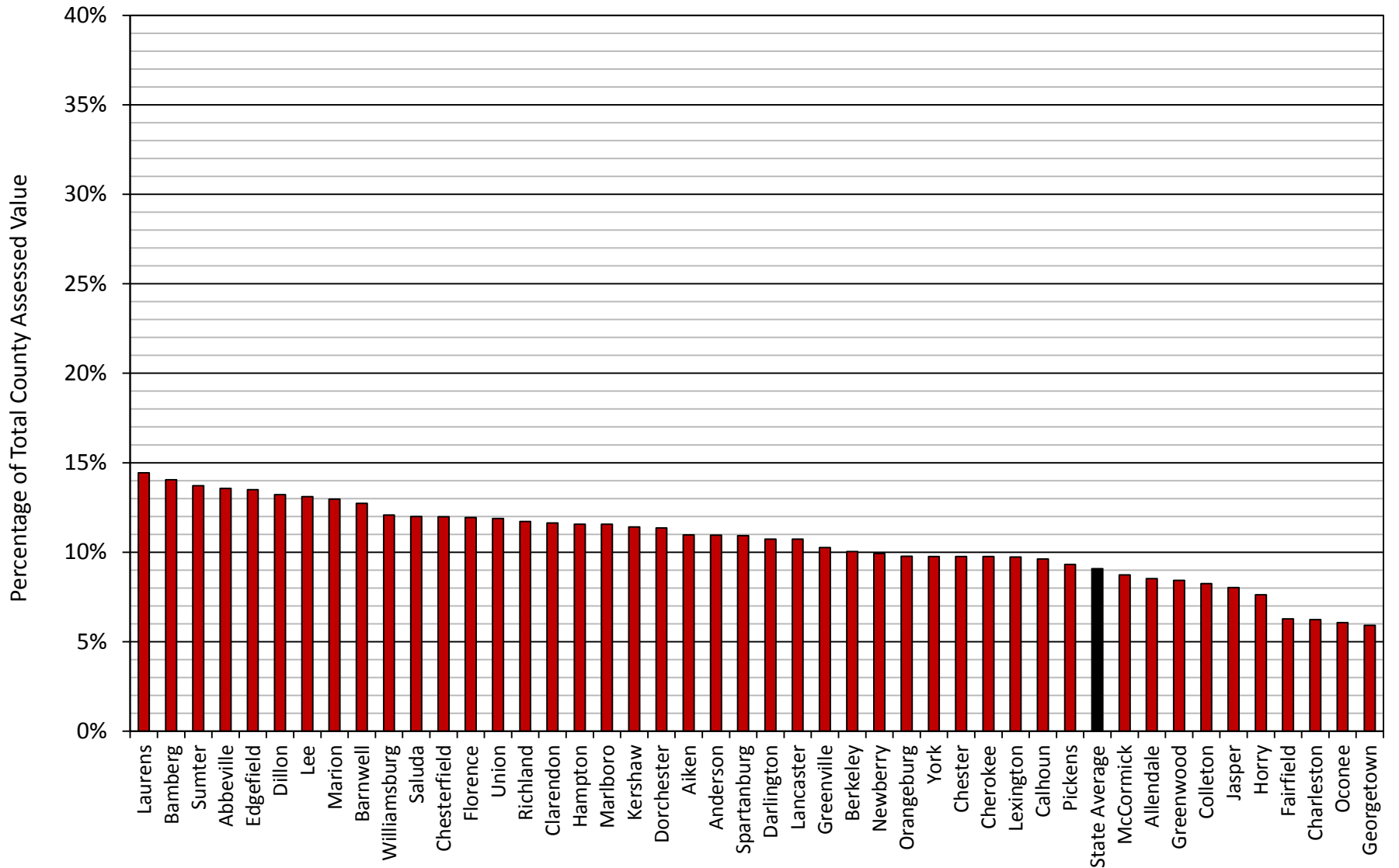
COMMERCIAL & RENTAL PROPERTY VALUE As a Percentage of Total County Assessed Value - Tax Year 2013



PERSONAL PROPERTY ASSESSED VALUE (VEHICLES) Tax Year 2013

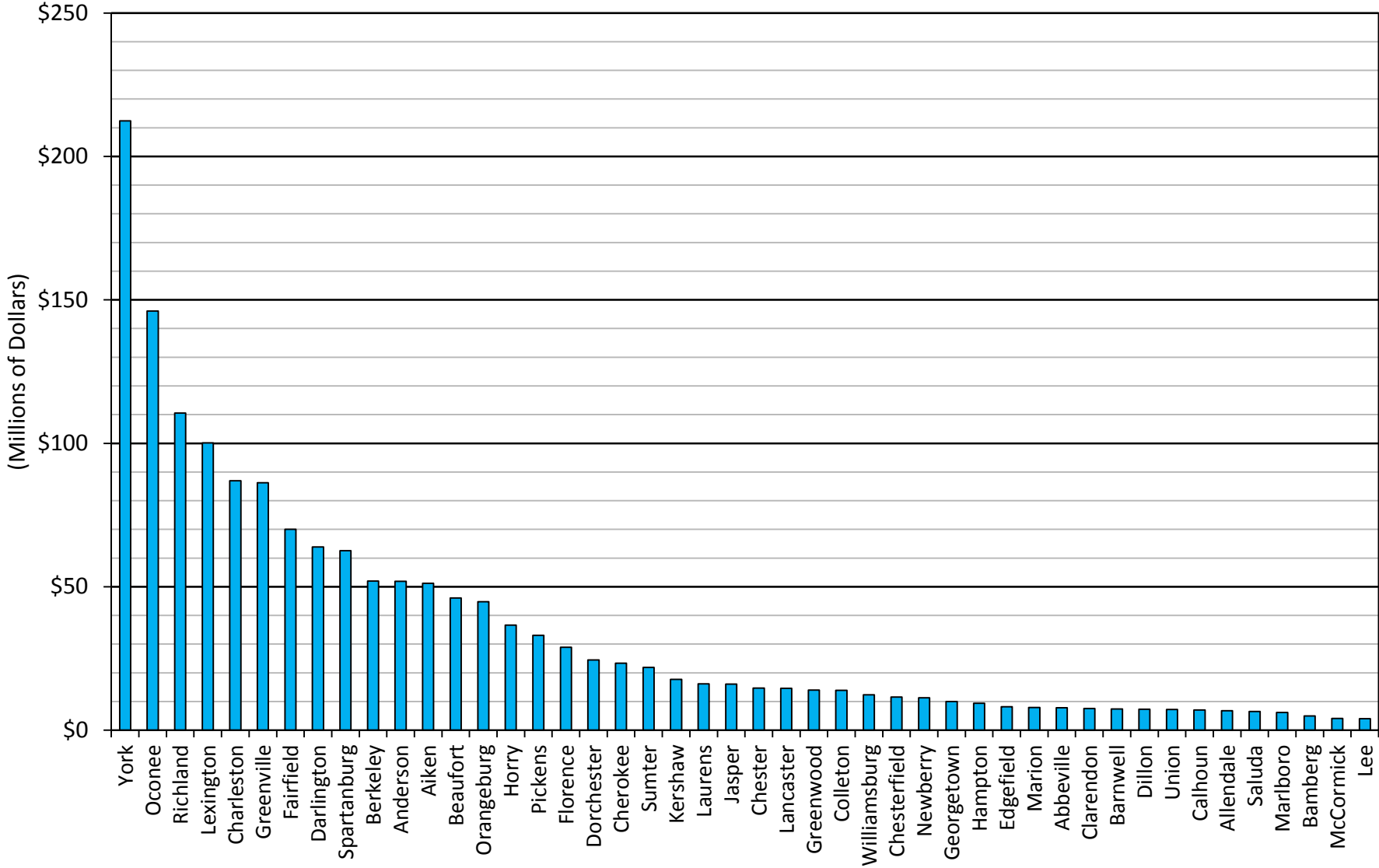


PERSONAL PROPERTY VALUE (VEHICLES) As a Percentage of Total County Assessed Value - Tax Year 2013



UTILITY PROPERTY ASSESSED VALUE

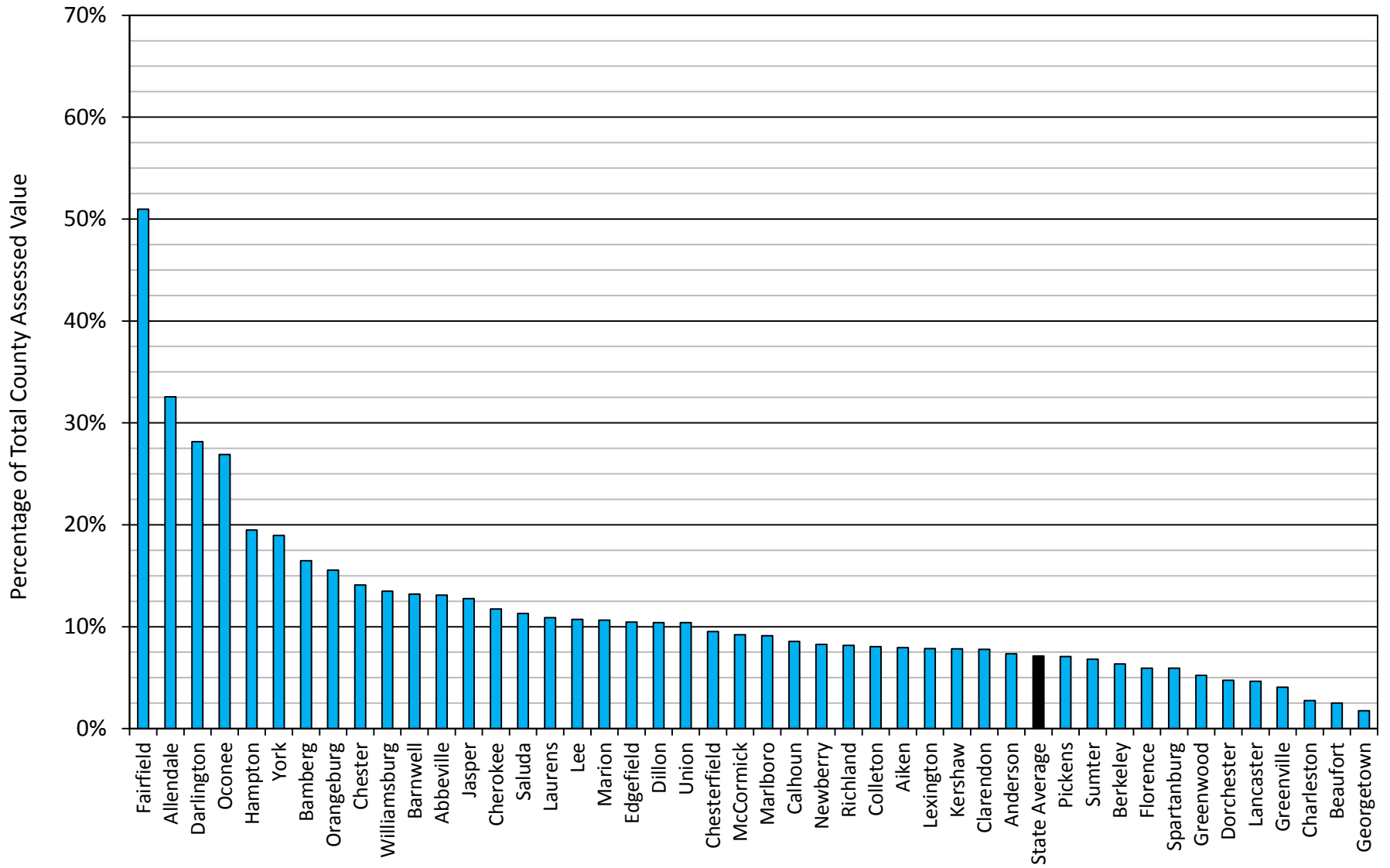
Tax Year 2013



Source: S.C. Department of Revenue, Local Government Report, 2015 RFA - LJ/09/01/16

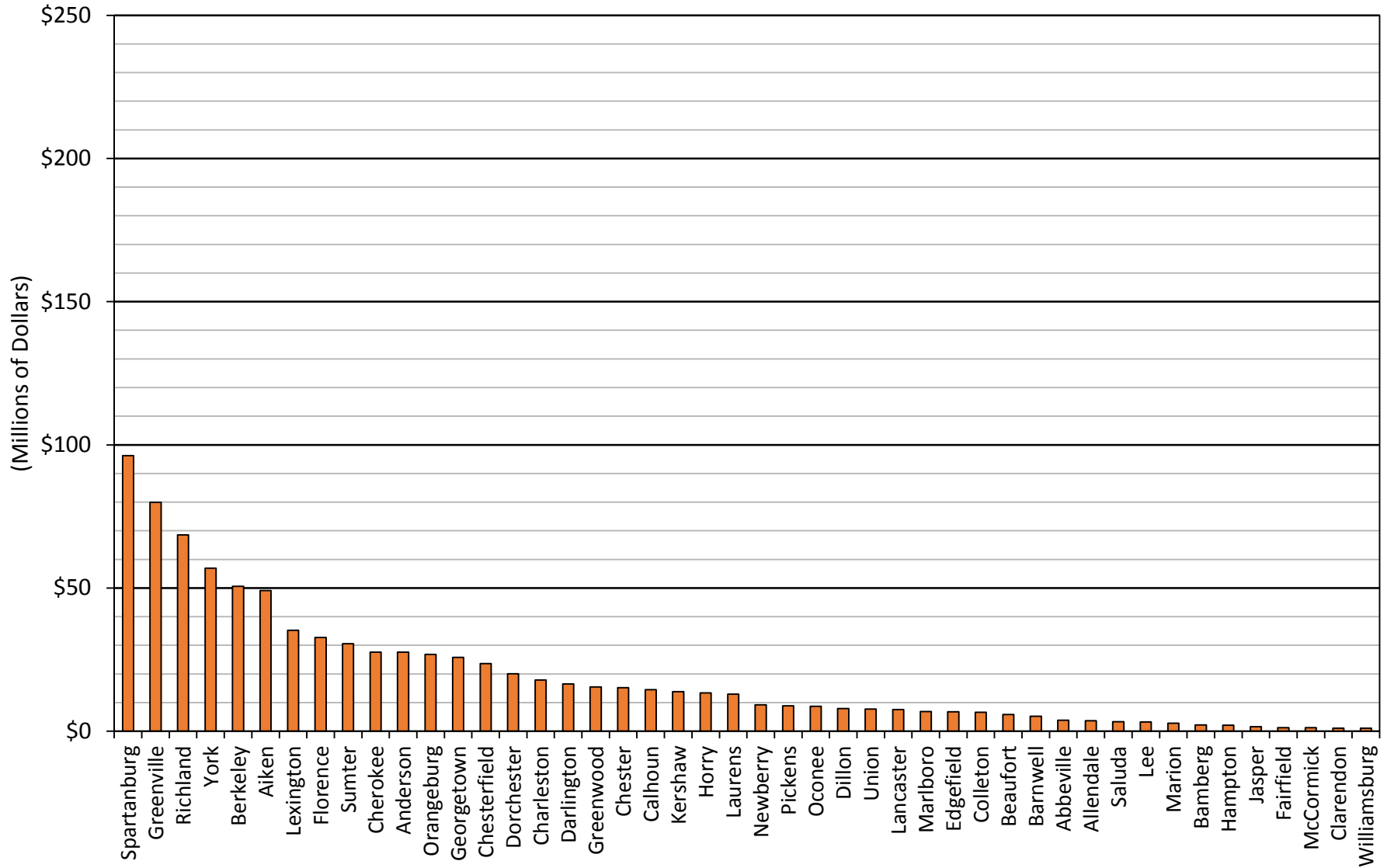
UTILITY PROPERTY VALUE

As a Percentage of Total County Assessed Value - Tax Year 2013



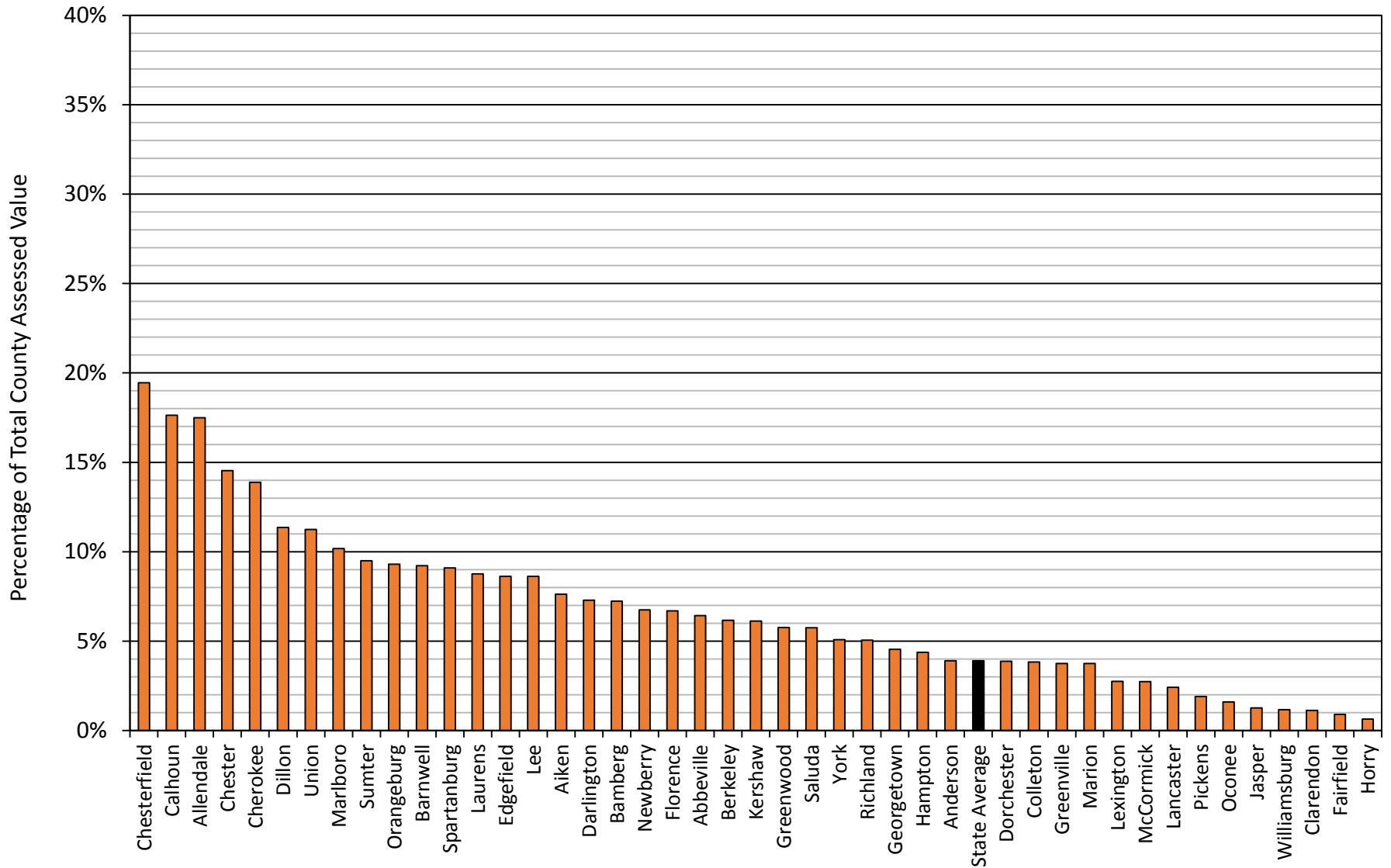
MANUFACTURING PROPERTY ASSESSED VALUE

Tax Year 2013

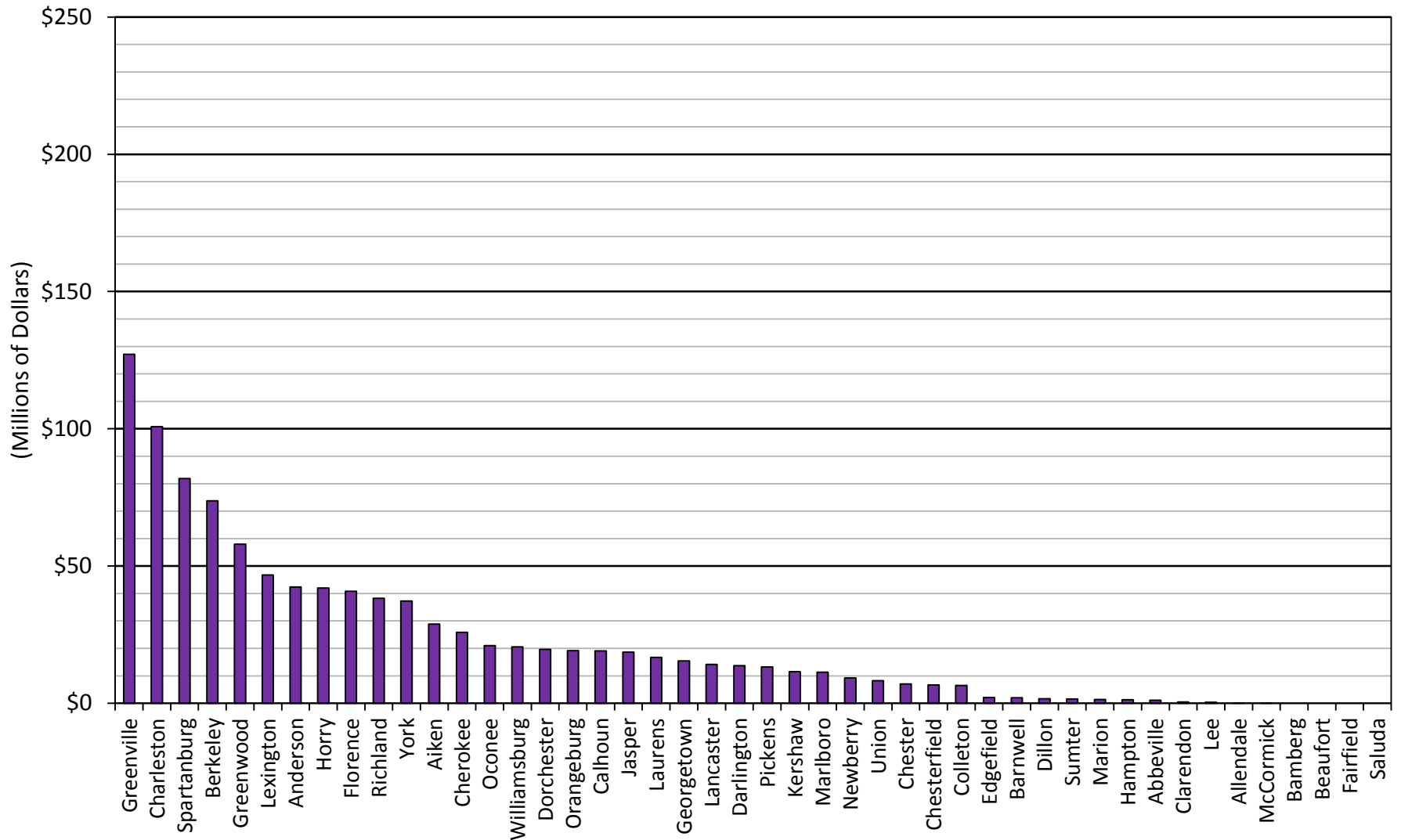


MANUFACTURING PROPERTY VALUE

As a Percentage of Total County Assessed Value - Tax Year 2013

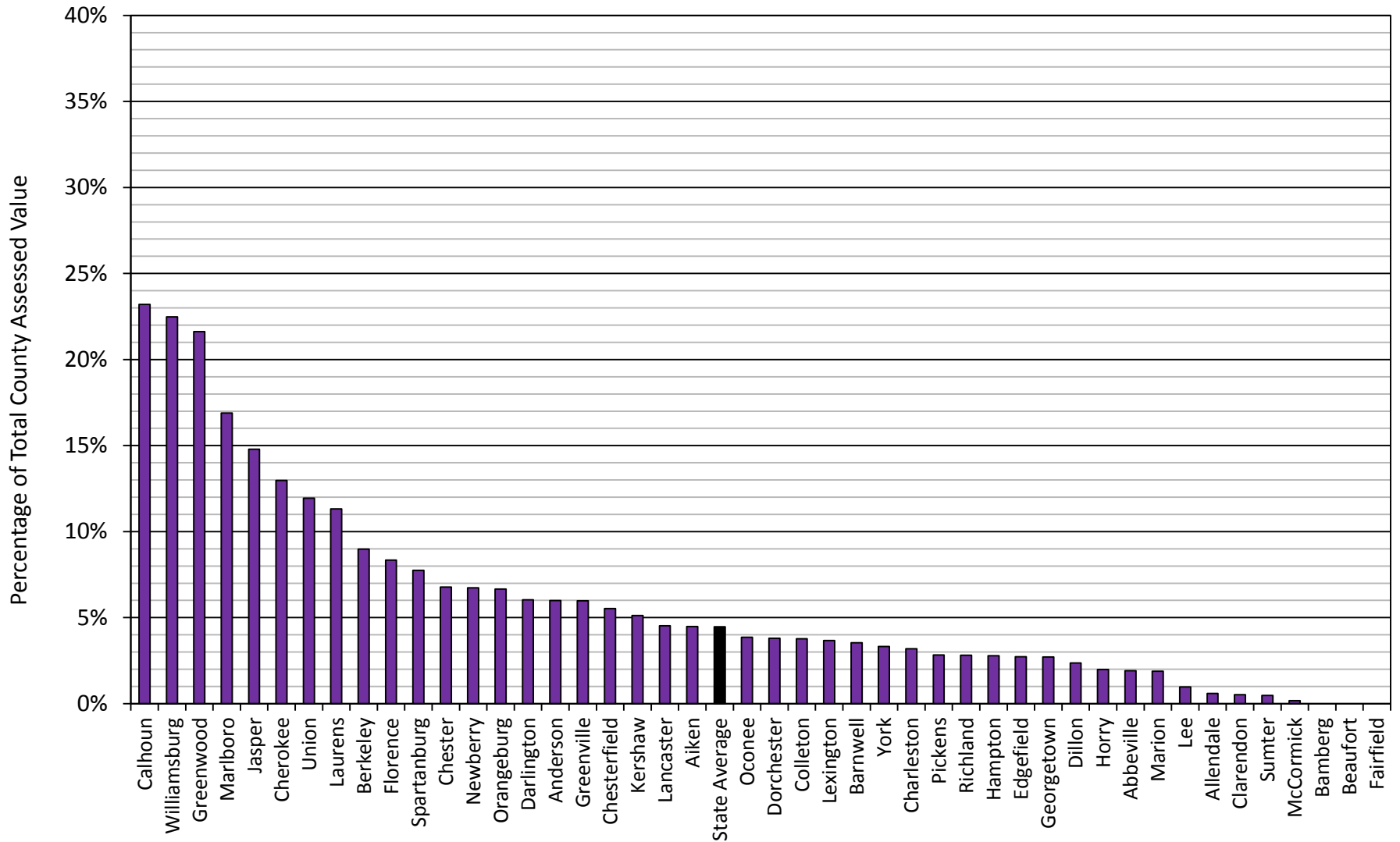


FEE-IN-LIEU PROPERTY ASSESSED VALUE Tax Year 2013



*Fee-in-lieu assessed values imputed by DOR based upon total fee-in-lieu revenue divided by total millage.

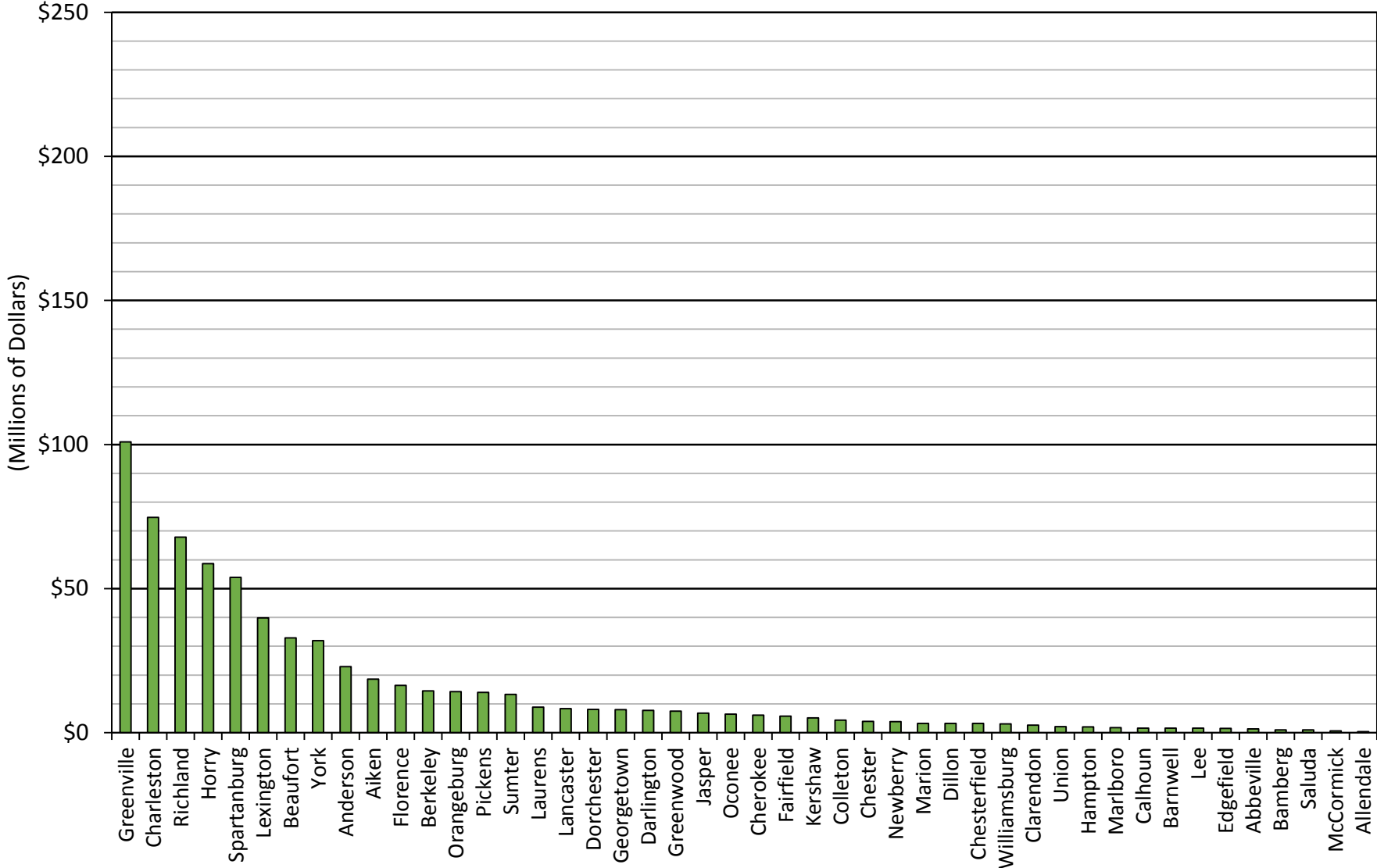
FEE-IN-LIEU PROPERTY VALUE As a Percentage of Total County Assessed Value - Tax Year 2013



*Fee-in-lieu assessed values imputed by DOR based upon total fee-in-lieu revenue divided by total millage.

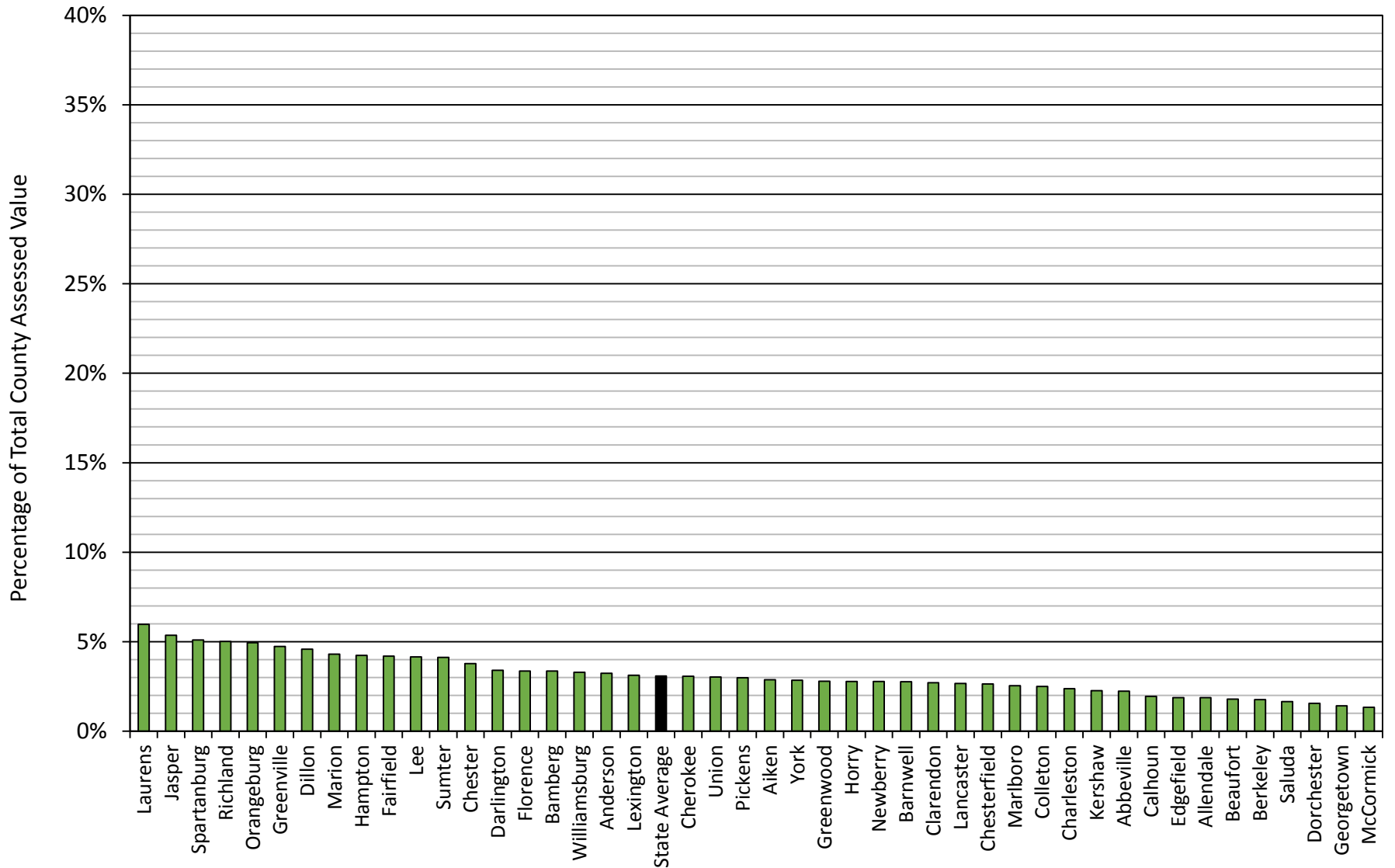
BUSINESS PERSONAL PROPERTY ASSESSED VALUE

Tax Year 2013



Source: S.C. Department of Revenue, Local Government Report, 2015 RFA - LJ/09/01/16

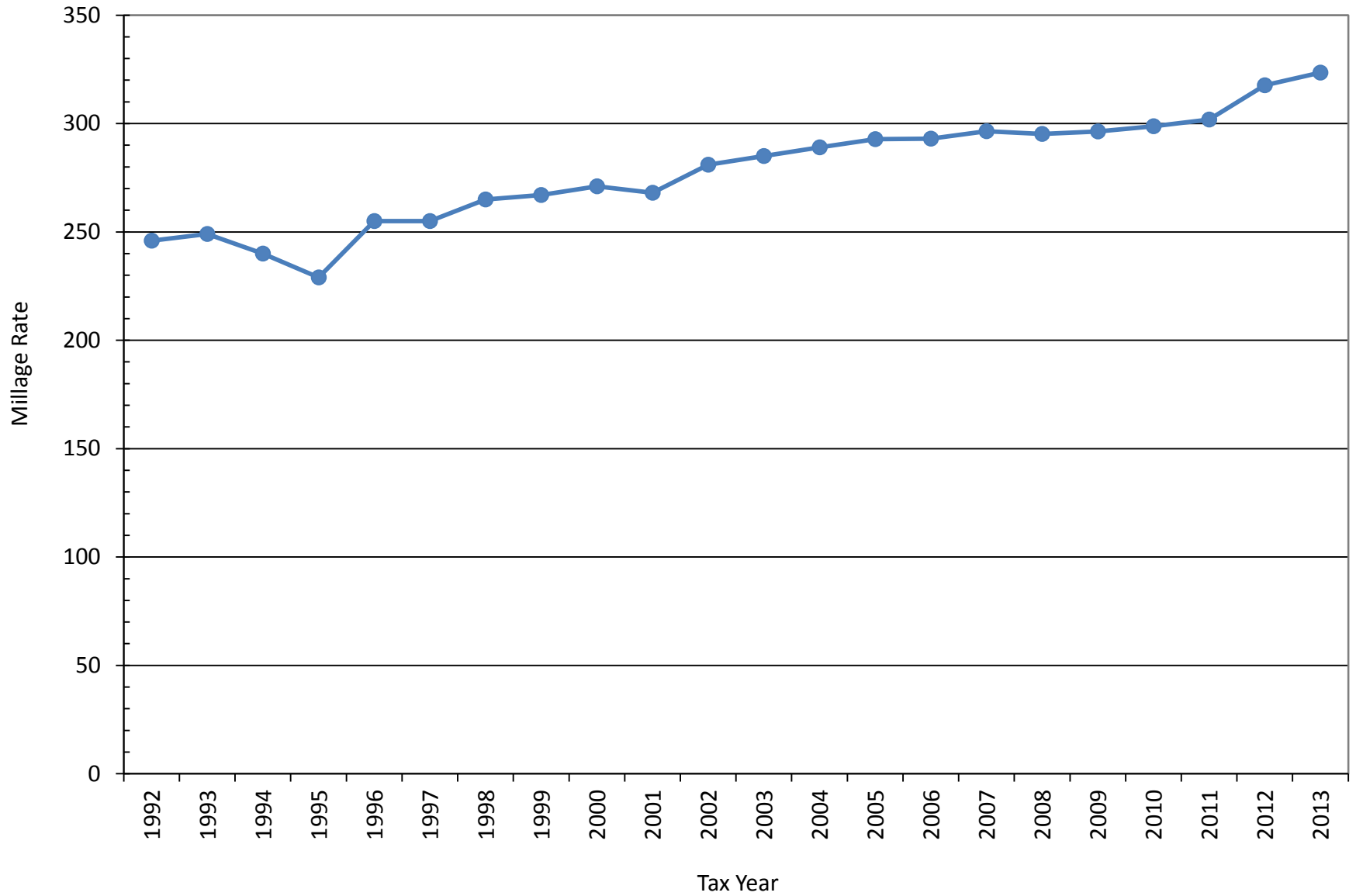
BUSINESS PERSONAL PROPERTY VALUE As a Percent of Total County Assessed Value - Tax Year 2013



PROPERTY TAX MILLAGE RATES

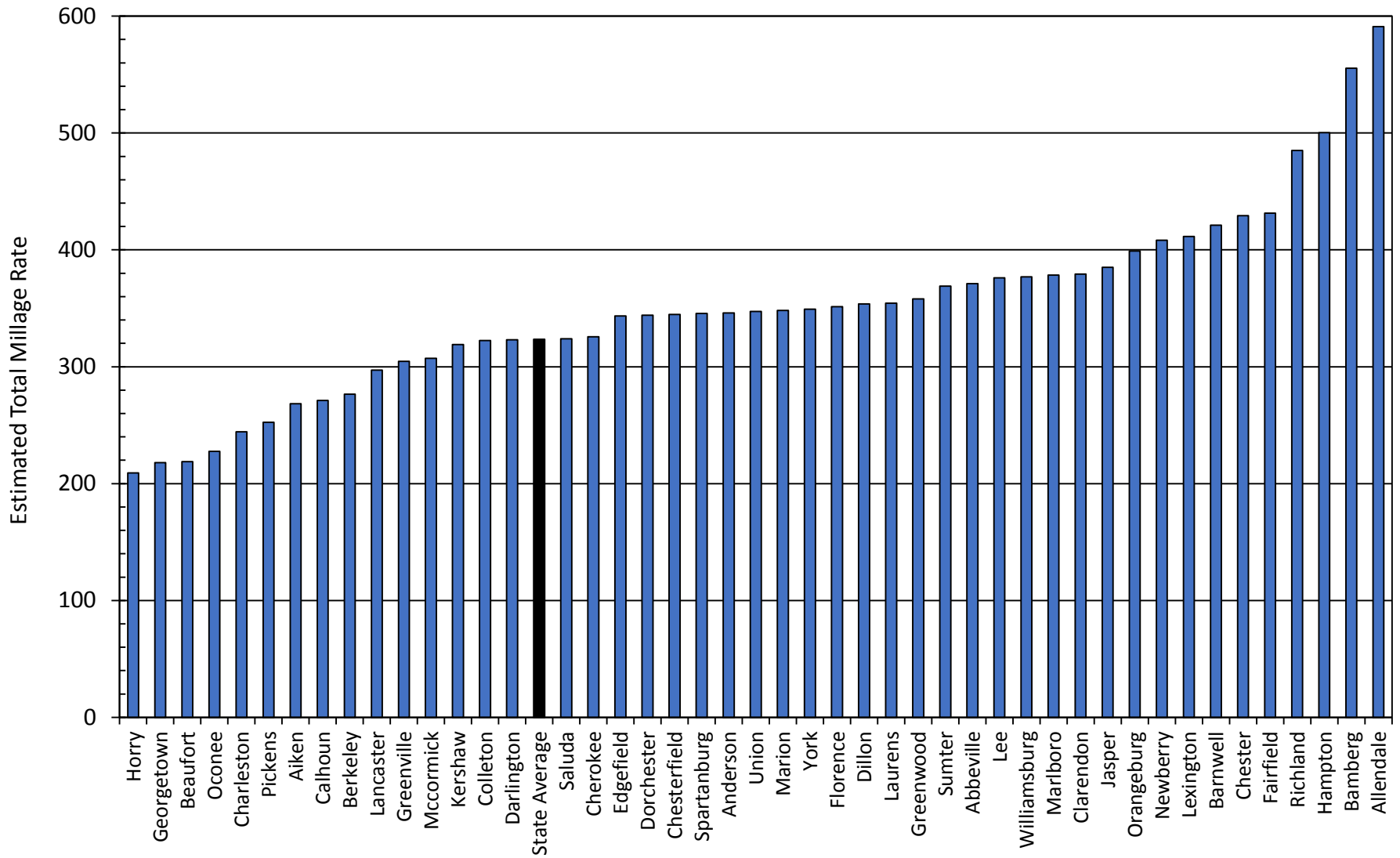


STATEWIDE AVERAGE MILLAGE RATE ESTIMATES

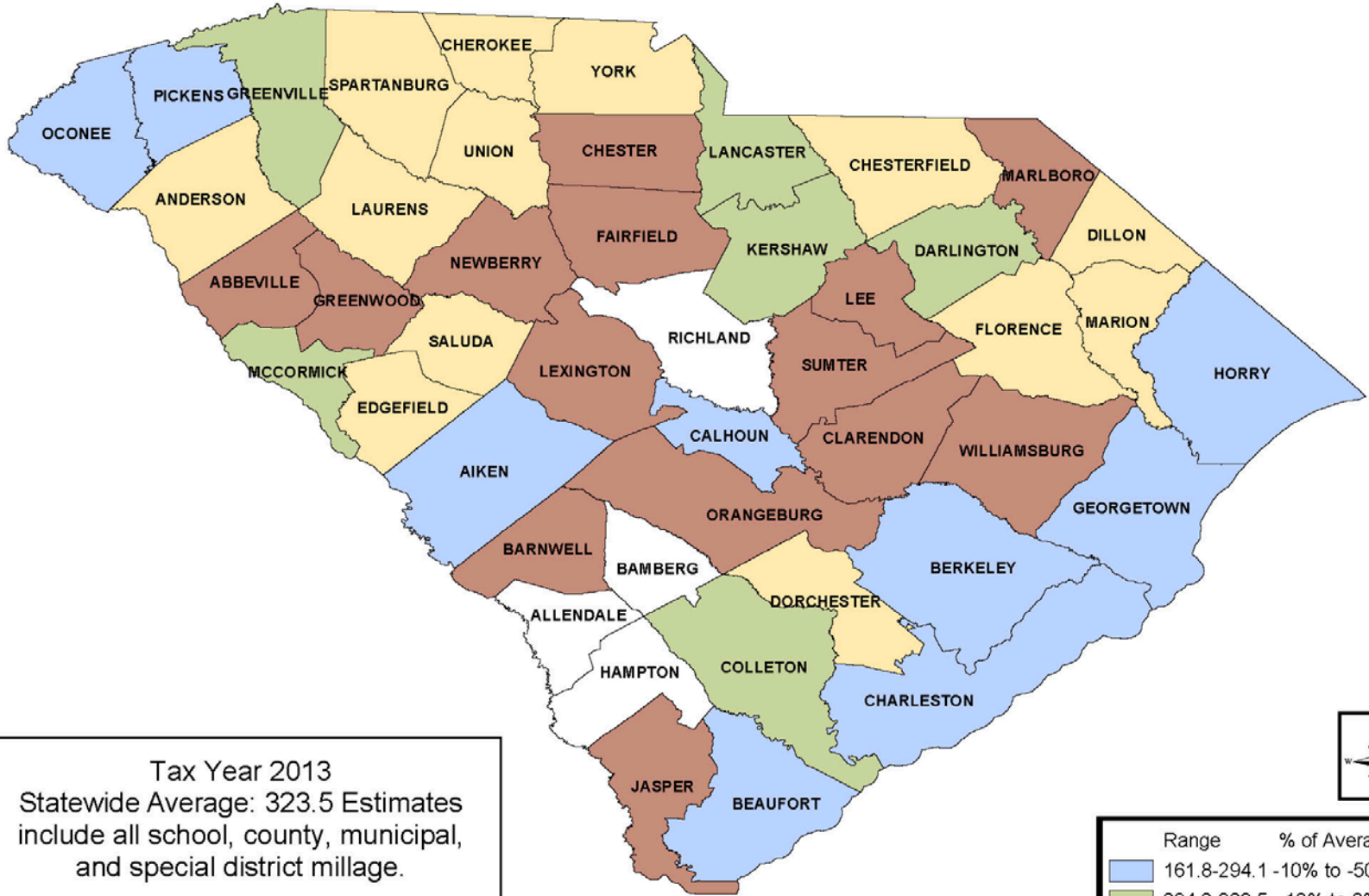


TAX YEAR 2013 ESTIMATED AVERAGE TOTAL MILLAGE RATE

Includes School, County, Municipal, and Special District Millage



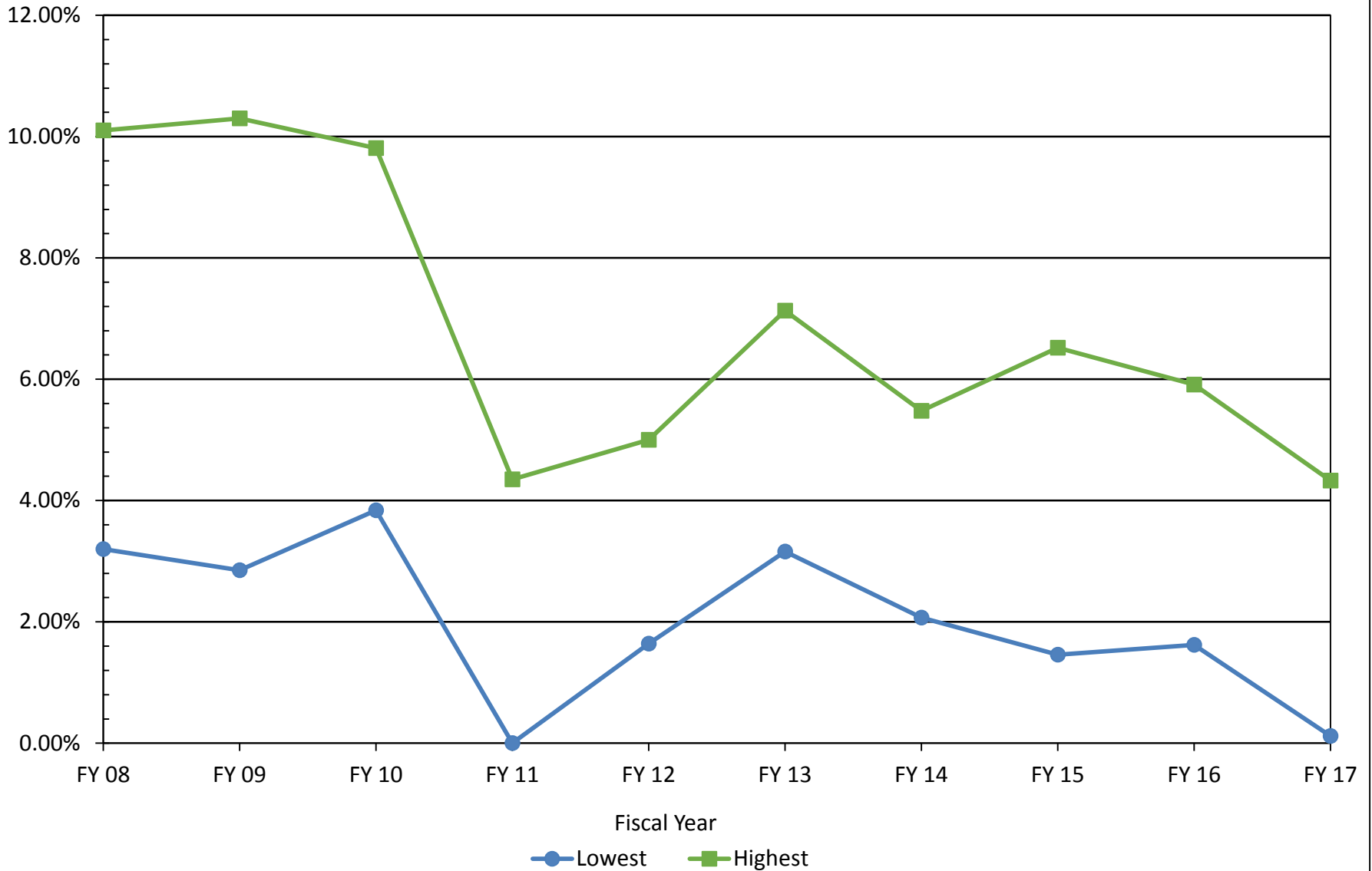
ESTIMATED AVERAGE TOTAL MILLAGE RATE



Tax Year 2013
 Statewide Average: 323.5 Estimates
 include all school, county, municipal,
 and special district millage.

SCHOOL DISTRICT MILLAGE CAPS

Lowest and Highest Permitted Increases

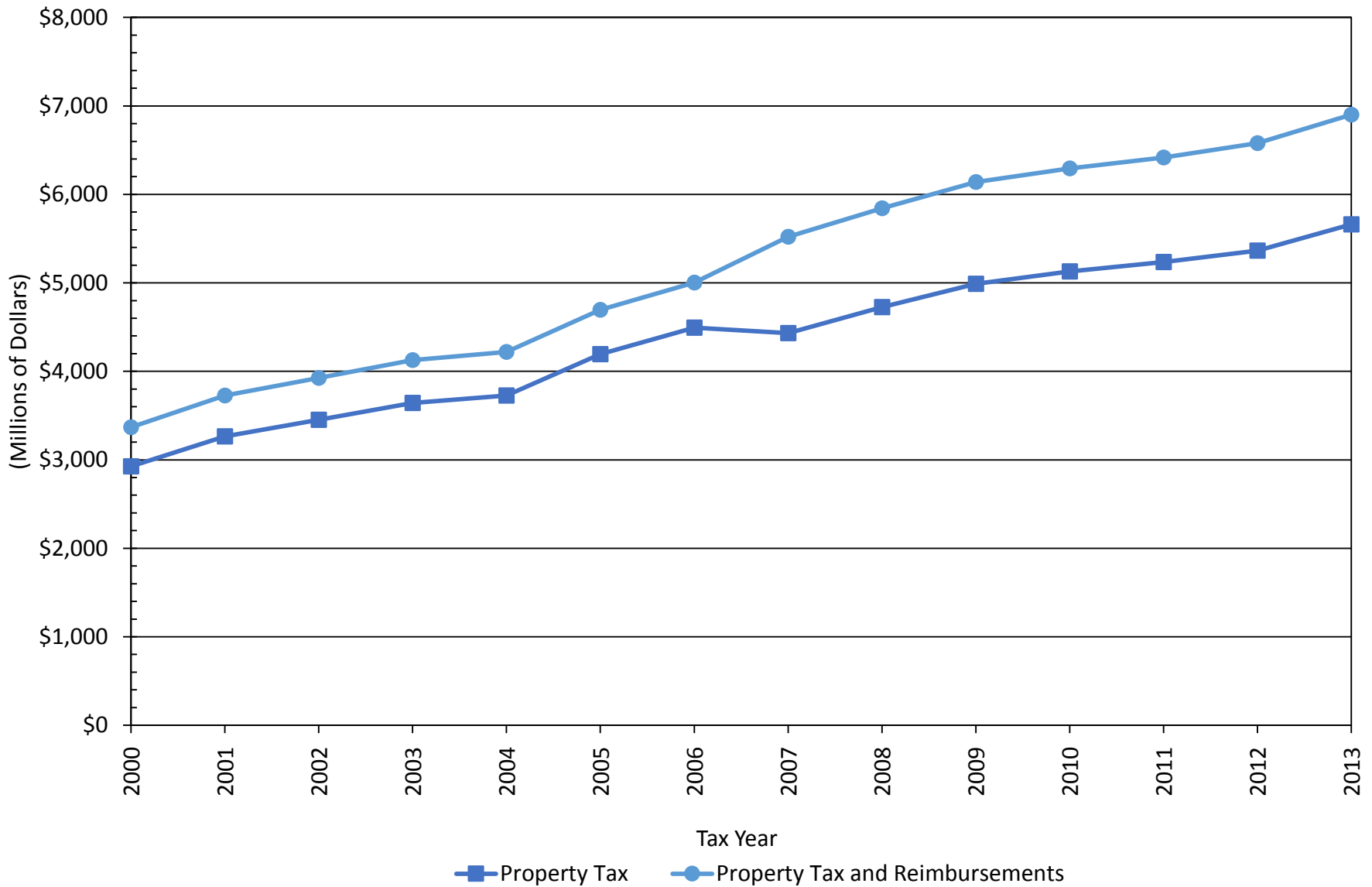


PROPERTY TAX REVENUE



TOTAL PROPERTY TAX REVENUE

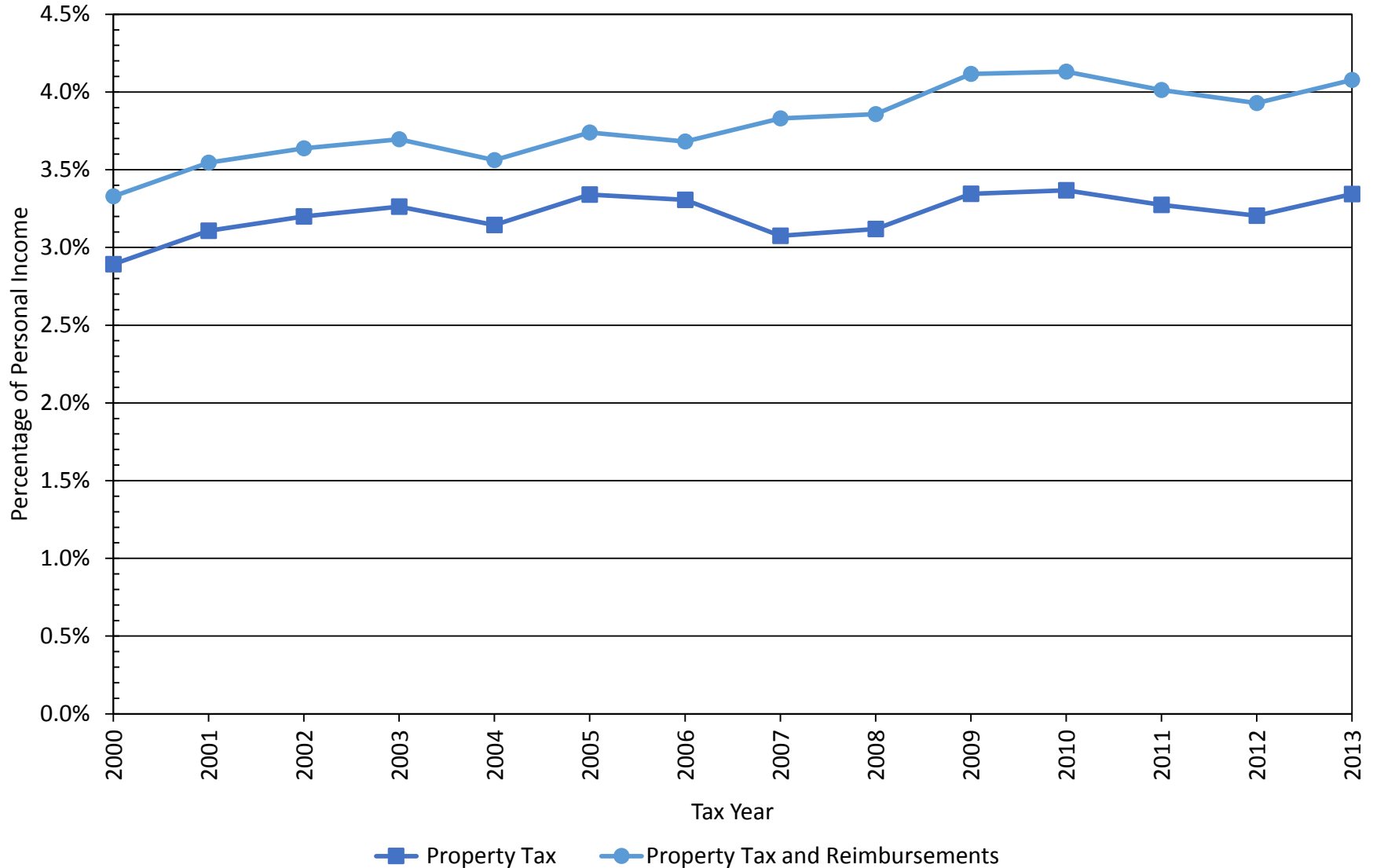
Revenue Reported by Schools, Counties, Municipalities, and Special Districts



Source: S.C. Department of Revenue, Local Government Report; S.C. Revenue and Fiscal Affairs Office, Local Government Finance Report – LJ/09/08/16

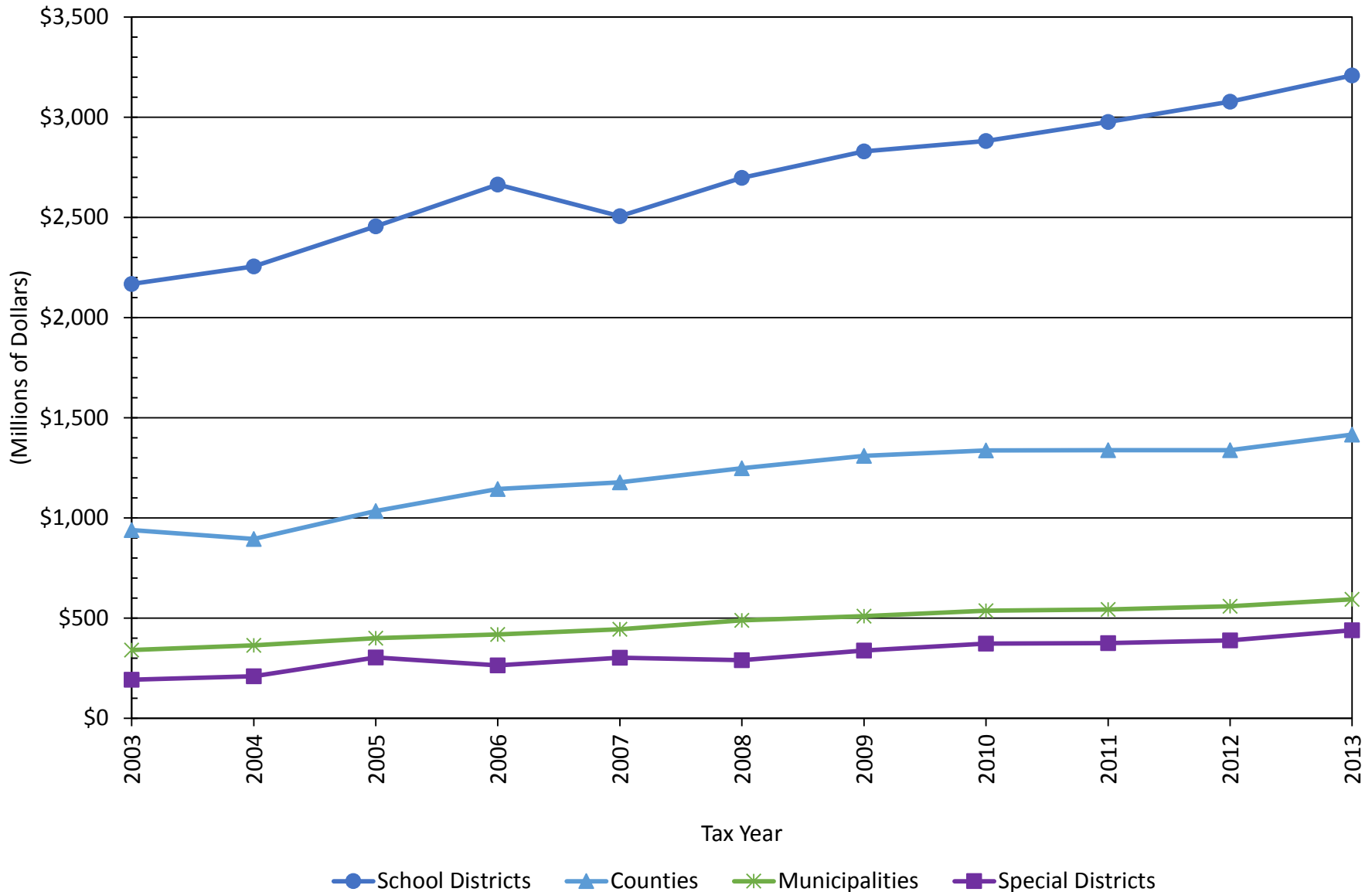
TOTAL PROPERTY TAX REVENUE as a Percentage of Personal Income

Revenue Reported by Schools, Counties, Municipalities, and Special Districts



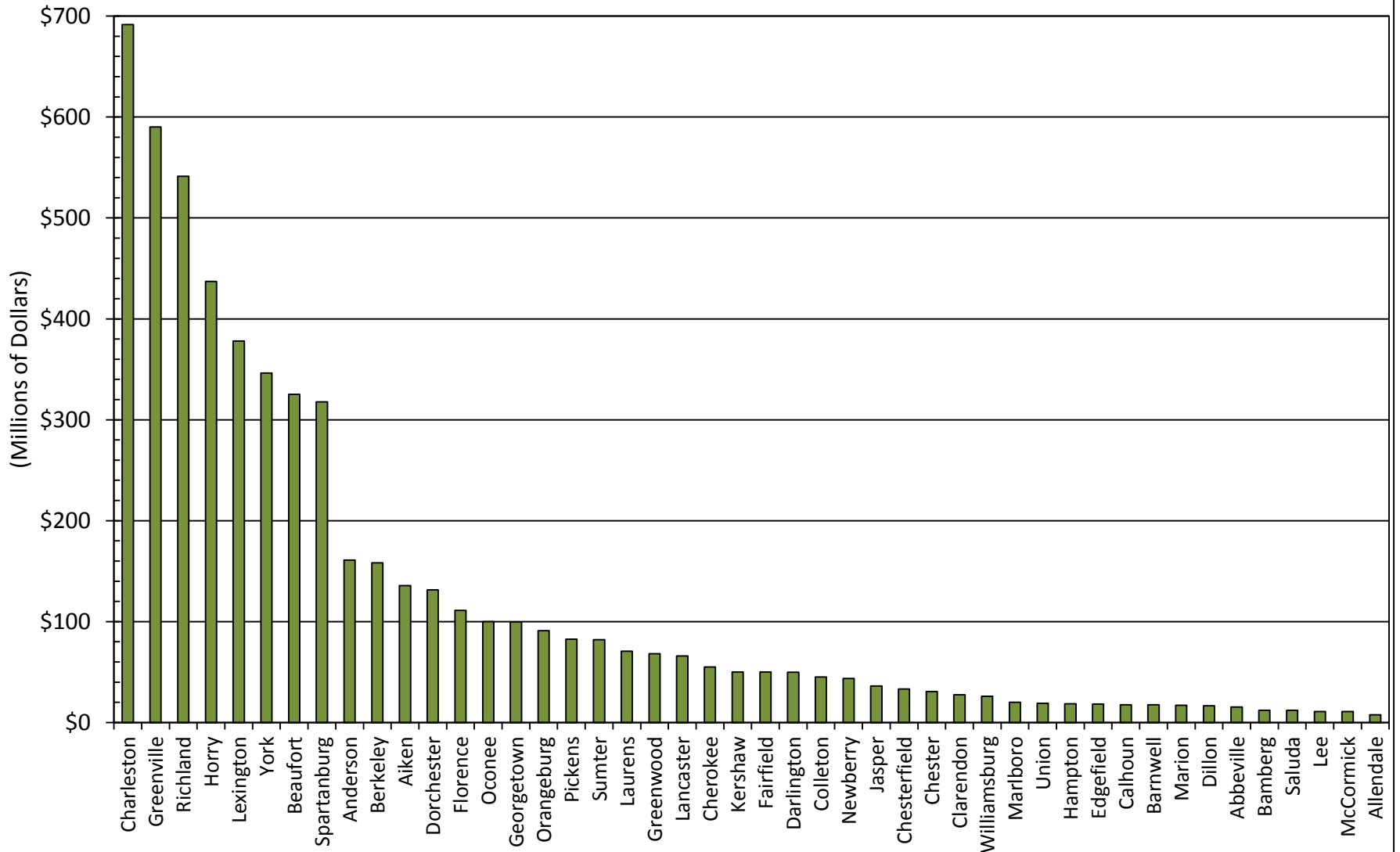
PROPERTY TAX REVENUE

Revenue Reported by Schools, Counties, Municipalities, and Special Districts



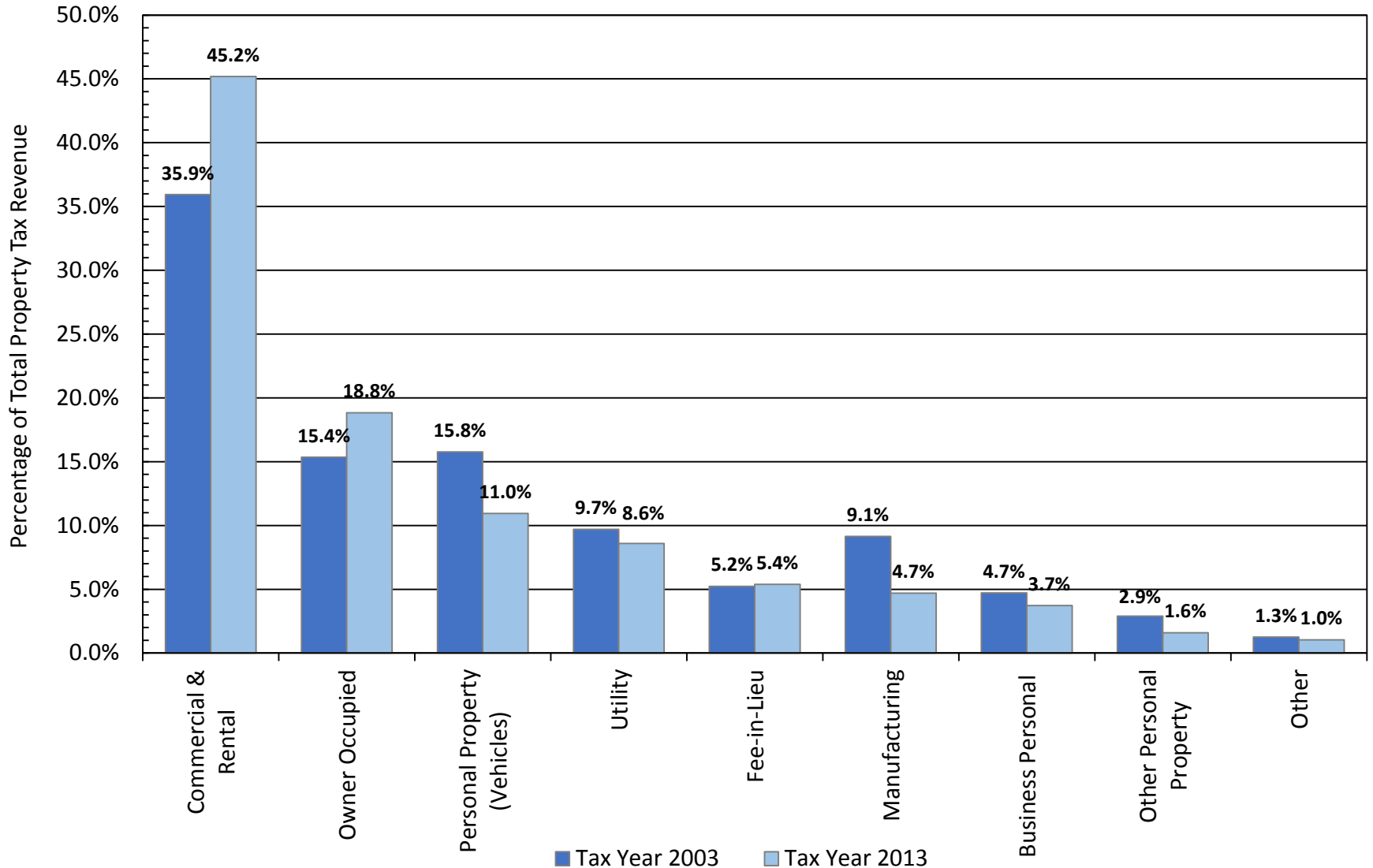
TOTAL PROPERTY TAX REVENUE-TAX YEAR 2013

Reported by School Districts, Counties, Municipalities, and Special Districts



Note: School district taxes reported in the county encompassing the majority of the district. Figures do not include state reimbursements for property tax relief.

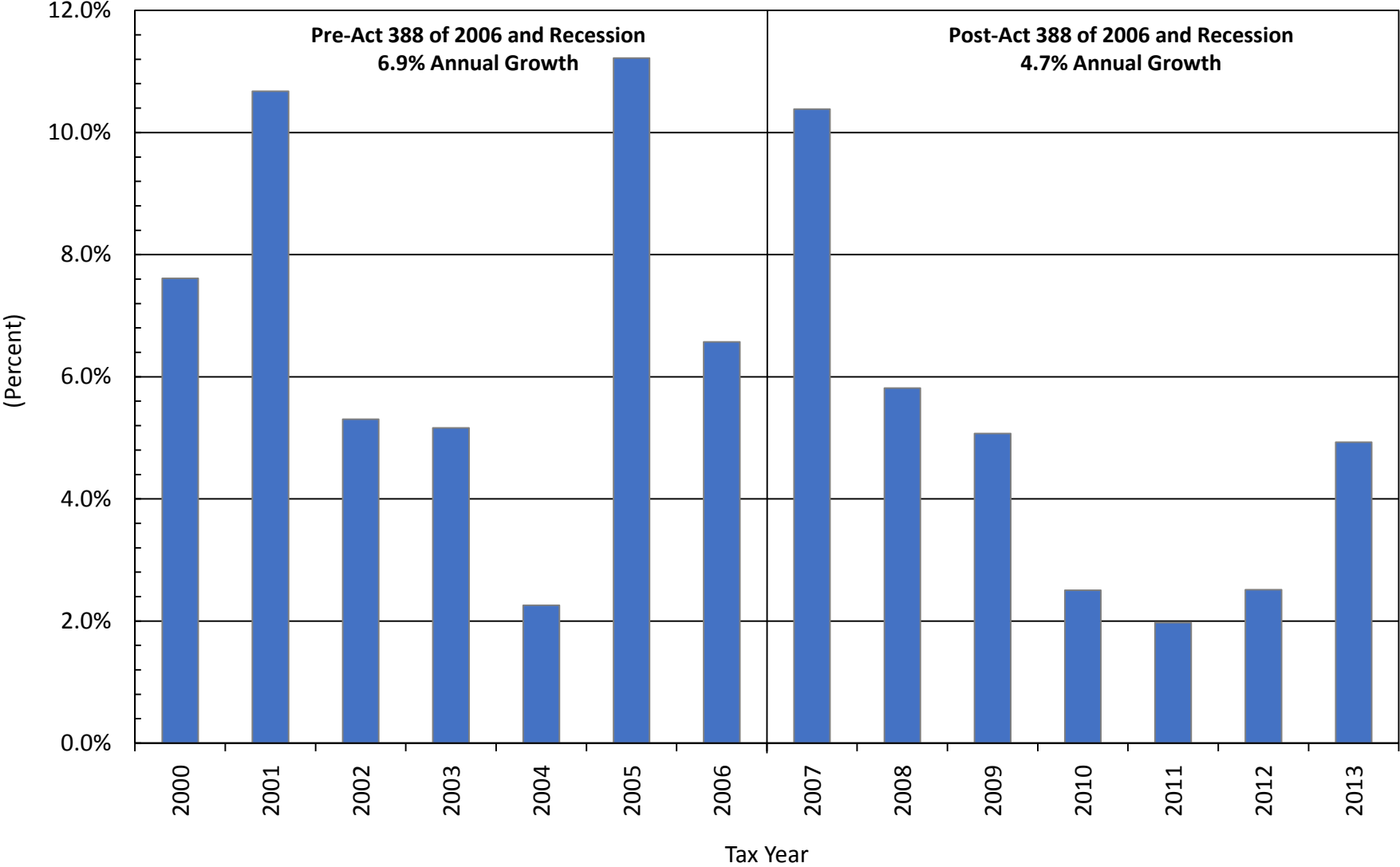
ESTIMATED PERCENTAGE OF TOTAL PROPERTY TAX REVENUE By Assessment Classification



Other: Motor Carrier, Agricultural Real Property (corporate and private)

ANNUAL GROWTH IN PROPERTY TAX REVENUE AND REIMBURSEMENTS

Revenue Reported by School Districts, Counties, Municipalities, and Special Purpose Districts and All State Reimbursements



Source: S.C. Department of Revenue; S.C. Revenue and Fiscal Affairs Office, Local Government Finance Report – LJ/08/23/16

Notes: Property Tax

- Property tax revenue, as a percentage of total personal income, has increased from 2.9 percent in 2000 to 3.3 percent in 2013.
- Between tax years 2003 and 2013:
 - Commercial property increased from 35.9 percent to 45.2 percent of total property tax revenue.
 - Owner occupied property increased from 15.4 percent to 18.8 percent of the total.
 - Motor vehicles declined from 15.8 percent to 11.0 percent of the total.
 - Manufacturing declined from 9.1 percent to 4.7 percent of the total.

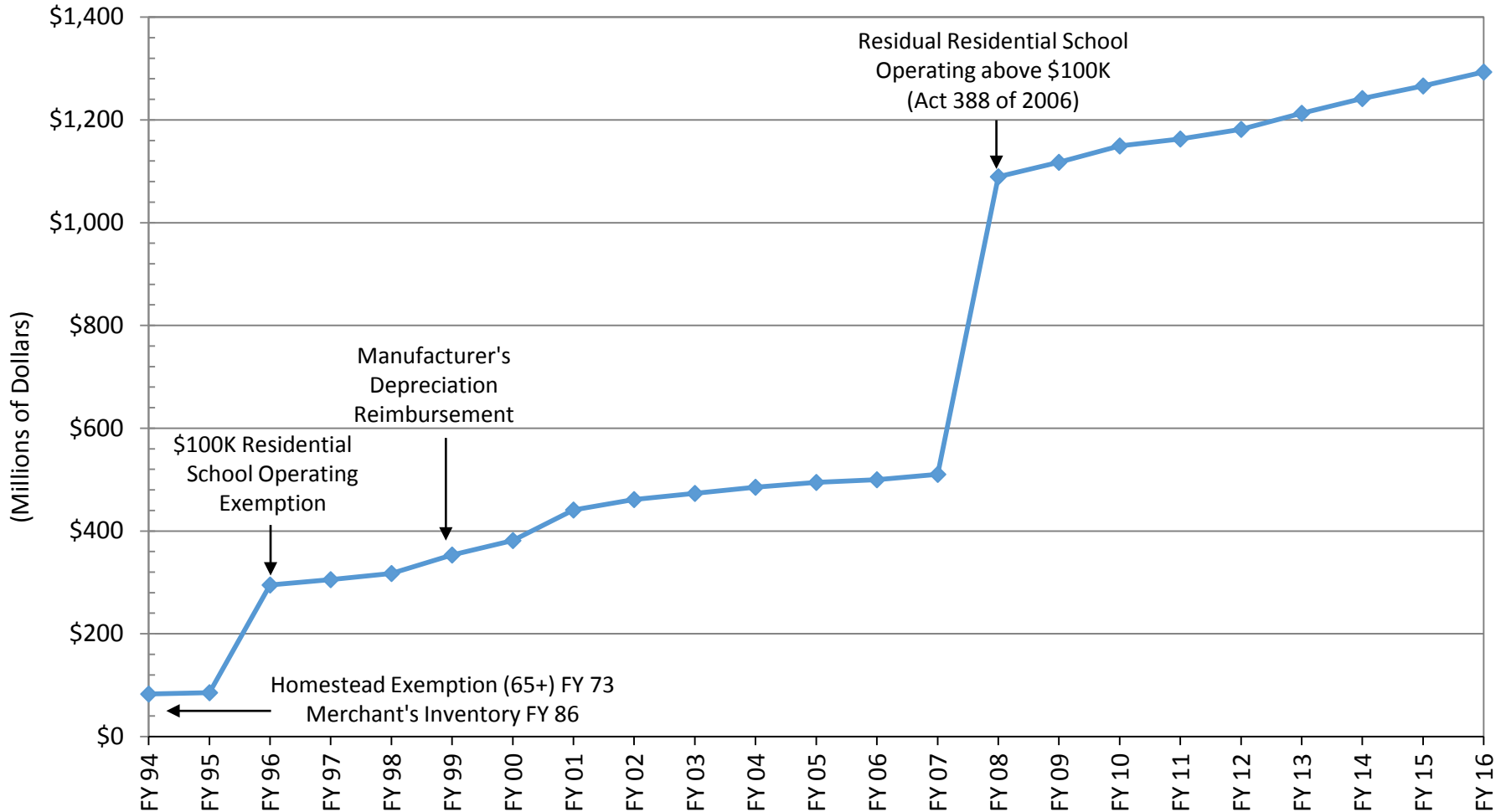


PROPERTY TAX STATE REIMBURSEMENTS



PROPERTY TAX RELIEF REIMBURSEMENTS

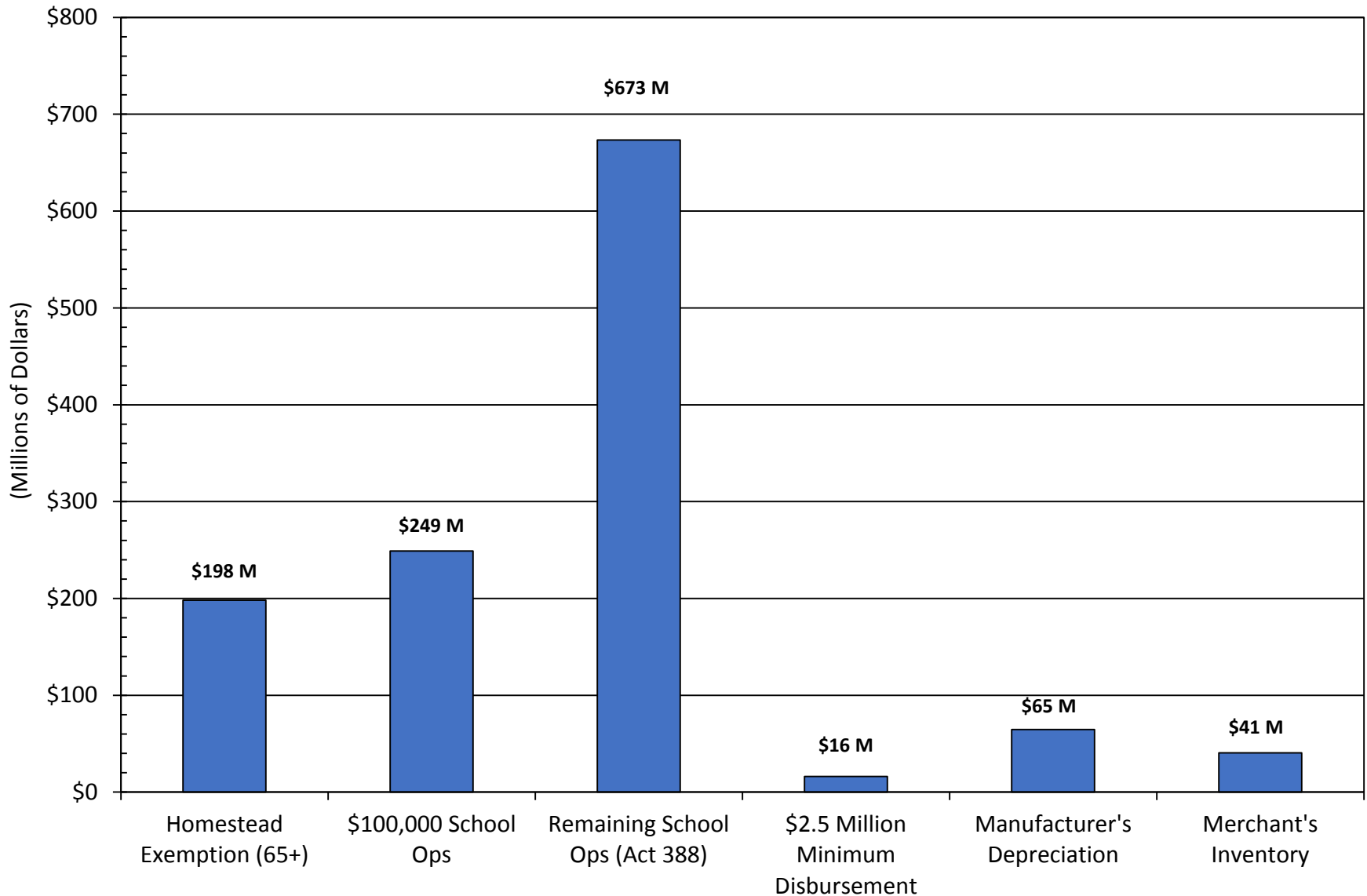
Trust Fund for Tax Relief and Homestead Exemption Fund



State property tax exemption reimbursements include: \$100K residential school operating exemption, Homestead Exemption (age 65+), residual residential school operating exemption above \$100K (Act 388 of 2006), \$2.5M minimum disbursement, Manufacturer's Depreciation Reimbursement, and Merchant's Inventory Tax Exemption

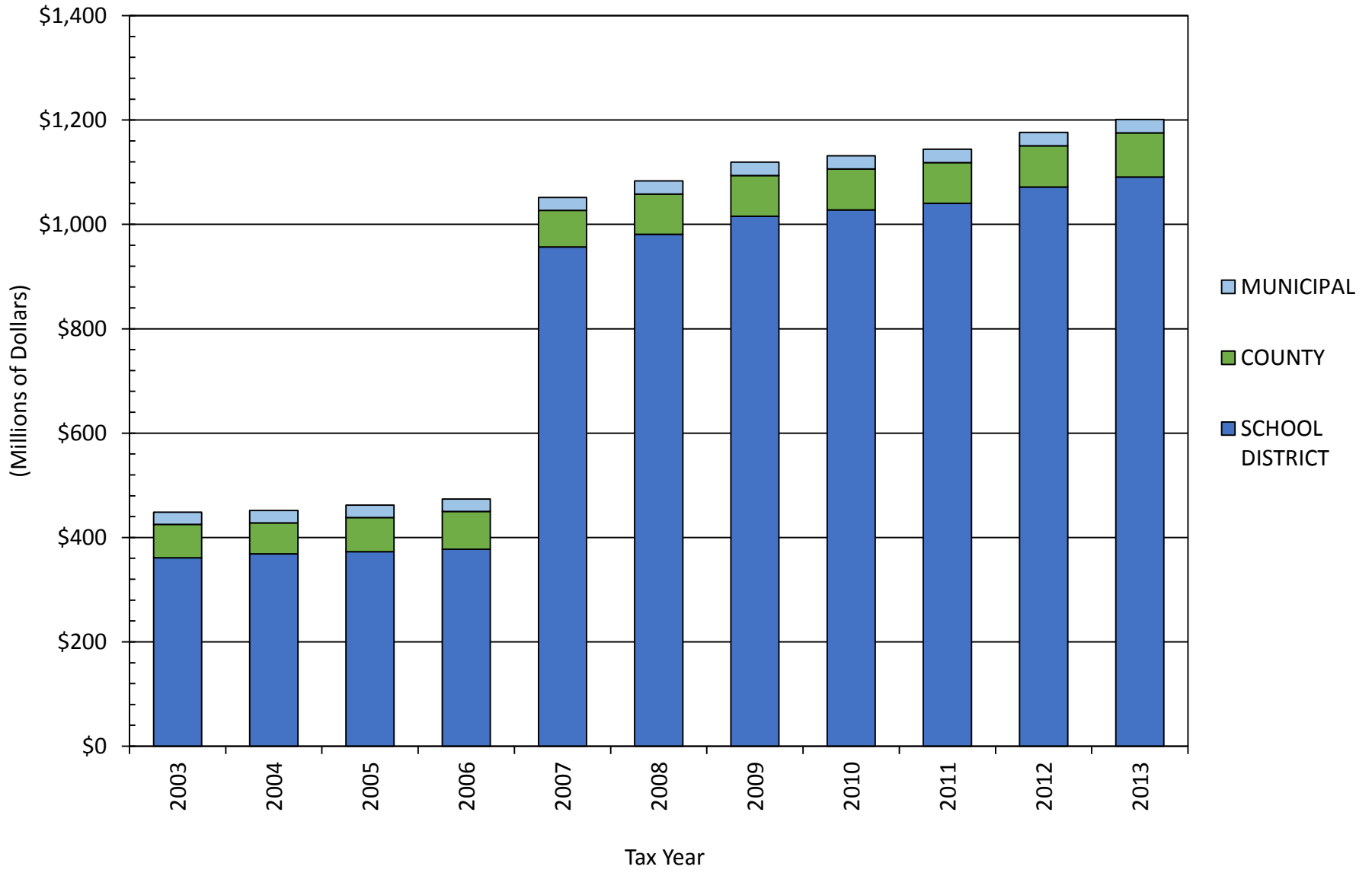
PROPERTY TAX RELIEF COMPONENTS

Trust Fund and Homestead Exemption Fund - Tax Year 2013



PROPERTY TAX RELIEF REIMBURSEMENTS

Estimated Distribution to School Districts, Counties, and Municipalities



Source: S.C. Department of Revenue, Local Government Reports; S.C. Revenue and Fiscal Affairs Office, Local Government Finance Report - LJ/09/08/16

QUESTIONS

