COMMITTEE REPORT

March 21, 2013

**S. 437**

Introduced by Senators Cleary, Reese, Rankin, Campsen, Hembree, Davis, McGill, Thurmond, Campbell, Cromer and Ford

S. Printed 3/21/13--S.

Read the first time February 27, 2013.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 437) 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, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. A. Section 12‑43‑220(c)(2)(iv) of the 1976 Code is amended by adding a new paragraph before the last undesignated paragraph to read:

“If the owner or the owner’s agent has made a proper certificate as required pursuant to this subitem and the owner is otherwise eligible, the owner is deemed to have met the burden of proof and is allowed the four percent assessment ratio allowed by this item, if the residence that is the subject of the application is not rented for more than one hundred days in a calendar year. For purposes of determining eligibility, rental income, and residency, the assessor annually may require a copy of applicable portions of the owner’s federal and state tax returns, as well as the Schedule E from the applicant’s federal return for the applicable tax year.”

B. Section 12‑43‑220(c) of the 1976 Code, as added by Act 145 of 2005, is amended by deleting subitem (7) which reads:

“(7) Notwithstanding any other provision of law, the owner‑occupant of a legal residence is not disqualified from receiving the four percent assessment ratio allowed by this item, if the taxpayer’s residence meets the requirements of Internal Revenue Code Section 280A(g) as defined in Section 12‑6‑40(A) and the taxpayer otherwise is eligible to receive the four percent assessment ratio.”

C. This SECTION takes effect upon approval by the Governor and applies to property tax years beginning after property tax year 2013.

SECTION 2. Section 12‑54‑240(B) of the 1976 Code, as last amended by Act 110 of 2007, is further amended by adding an appropriately numbered item at the end to read:

“( ) verification that the federal Schedule E filed with the department is the same as the Schedule E required by the assessor pursuant to Section 12‑43‑220(c).”

SECTION 3. Except where otherwise provided, this act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**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 ONE HUNDRED DAYS A YEAR, AND 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 VERIFICATION THAT THE FEDERAL SCHEDULE E CONFORMS WITH THE SAME DOCUMENT REQUIRED BY A COUNTY ASSESSOR IS NOT PROHIBITED.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. A. Section 12‑43‑220(c)(2)(iv) of the 1976 Code is amended by adding a new paragraph before the last undesignated paragraph to read:

“If the owner or the owner’s agent has made a proper certificate as required pursuant to this subitem and the owner is otherwise eligible, the owner is deemed to have met the burden of proof and is allowed the four percent assessment ratio allowed by this item, if the residence that is the subject of the application is not rented for more than one hundred days in a calendar year. The assessor may require a copy of Schedule E from the applicant’s federal return for the applicable tax year.”

B. Section 12‑43‑220(c) of the 1976 Code, as added by Act 145 of 2005, is amended by deleting subitem (7) which reads:

“(7) Notwithstanding any other provision of law, the owner‑occupant of a legal residence is not disqualified from receiving the four percent assessment ratio allowed by this item, if the taxpayer’s residence meets the requirements of Internal Revenue Code Section 280A(g) as defined in Section 12‑6‑40(A) and the taxpayer otherwise is eligible to receive the four percent assessment ratio.”

C. This SECTION takes effect upon approval by the Governor and applies to property tax years beginning after December 31, 2012.

SECTION 2. Section 12‑54‑240(B) of the 1976 Code, as last amended by Act 110 of 2007, is further amended by adding an appropriately numbered item at the end to read:

“( ) verification that the federal Schedule E filed with the department is the same as the Schedule E required by the assessor pursuant to Section 12‑43‑220(c).”

SECTION 3. Except where otherwise provided, this act takes effect upon approval by the Governor.

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