~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE AMENDMENT ADOPTED

May 9, 2017

**H. 3867**

Introduced by Reps. Herbkersman, Pitts, Hayes, Anthony, Cobb‑Hunter, Whipper and Brown

S. Printed 5/9/17--S. [SEC 5/10/17 12:29 PM]

Read the first time April 4, 2017.

**A** **BILL**

TO AMEND SECTION 12‑37‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM PROPERTY TAX, SO AS TO EXEMPT ALL PROPERTY DEVOTED TO HOUSING LOW INCOME RESIDENTS IF THE PROPERTY IS OWNED BY AN INSTRUMENTALITY OF A NONPROFIT HOUSING CORPORATION.

Amend Title To Conform

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

SECTION 1. Section 12‑37‑220(B)(11)(e) of the 1976 Code is amended to read:

“(e) all property of nonprofit housing corporations or ~~solely‑owned~~ instrumentalities of these corporations ~~which~~ when the property is devoted to providing housing to low or very low income residents. A nonprofit housing corporation must satisfy the safe harbor provisions of Revenue Procedure 96‑32 issued by the Internal Revenue Service ~~to qualify~~ for this exemption to apply. For purposes of this subitem, partnerships, limited liability companies, or other corporations are instrumentalities if the nonprofit housing corporation is the controlling partner, controlling member, or controlling shareholder of the instrumentality. For purposes of this subitem, ‘controlling’ means the nonprofit house corporation is the partner, member, or shareholder of the instrumentality permitted to exercise substantial and continuous control over the provision of the low or very low income housing;”

SECTION 2. Section 12-37-220(B) of the 1976 Code, as last amended by Act 23 of 2015, is further amended by adding an appropriately numbered item at the end to read:

“( ) notwithstanding the provisions of Section 12-37-950, a leasehold interest conveyed by the South Carolina Public Service Authority for residential use. The exemption allowed by this item only applies to the land and does not apply to any structures or other improvements situated on the land. The exemption allowed by this item extends to that leasehold interest, if subsequently assigned, if the leasehold agreement allows assignment.”

SECTION 3. This act takes effect upon approval by the Governor and first applies to property tax years beginning after 2016.

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