



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 4059 Introduced on March 1, 2023
Author: Newton
Subject: Transportation Facilities
Requestor: House Ways and Means
RFA Analyst(s): Daigle
Impact Date: March 5, 2024

Fiscal Impact Summary

This bill expands the projects for which the proceeds of a local option transportation sales tax can be used to include aviation, railways, and maritime transportation and replacing mass transit systems with public transit systems.

This bill will have no revenue impact on current local option transportation sales taxes since the maximum one percent rate imposed pursuant to Section 4-37-30 will not change. Counties would be permitted to use funds for these new alternative projects if approved by referendum, but the total revenue available would remain unchanged. To the extent that a county elects to impose a new transportation sales tax because of the change in allowable uses, the bill may impact total local sales taxes. However, the number of counties that may elect to impose a new sales tax due to the allowable uses in the bill is undetermined.

Explanation of Fiscal Impact

Introduced on March 1, 2023

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill expands the projects that may be funded by a local option transportation sales tax, subject to a referendum, to include public transit systems including buses, subways, light rail, commuter rail, trolleys, and ferries, as well as aviation, railways, and maritime infrastructure in addition to highways, roads, streets, bridges, greenbelts, and other transportation-related projects. Counties would be permitted to use funds for these new alternative projects if approved by referendum, but the total revenue available would remain unchanged. Currently, the following four counties impose a local option transportation sales tax: Berkeley, Charleston, Dorchester,

and Richland.¹ This bill will not change the maximum one percent tax rate allowed in Section 4-37-30. Therefore, there is no revenue impact on current local sales tax collections. To the extent that a county elects to impose a new transportation sales tax because of the change in allowable uses, the bill may impact total local sales taxes. However, the number of counties that may elect to impose a new sales tax due to the allowable uses in the bill is undetermined.

¹ Department of Revenue Information Letter #24-1 <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/IL24-1.pdf> Retrieved March 5, 2024



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