

South Carolina Revenue Sources and Fiscal Impacts ^{1/}

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^{1/} Most estimates of impacts are for FY06. They will be updated as resources permit.

South Carolina Revenue Sources and Fiscal Impacts

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**South Carolina State Accommodations (2%) Tax Collections
By County
Fiscal Year 2004-05**

County	Tax Revenue (Dollars)	Rank
Abbeville	\$10,605	42
Aiken	\$306,223	15
Allendale	\$6,488	44
Anderson	\$315,028	14
Bamberg	\$9,080	43
Barnwell	\$22,148	36
Beaufort	\$4,766,788	3
Berkeley	\$361,642	13
Calhoun	(D)	
Charleston	\$7,478,974	2
Cherokee	\$96,753	25
Chester	\$62,610	27
Chesterfield	\$39,767	30
Clarendon	\$118,053	22
Colleton	\$401,624	12
Darlington	\$61,779	28
Dillon	\$113,665	23
Dorchester	\$153,651	19
Edgefield	\$12,354	41
Fairfield	\$29,130	33
Florence	\$776,340	7
Georgetown	\$1,180,030	6
Greenville	\$1,836,928	4
Greenwood	\$133,213	20
Hampton	\$26,327	35
Horry	\$13,156,965	1
Jasper	\$257,669	16
Kershaw	\$97,716	24
Lancaster	\$35,203	31
Laurens	\$60,411	29
Lee	\$12,578	40
Lexington	\$663,592	8
Marion	\$22,008	37
Marlboro	\$27,097	34
McCormick	\$32,463	32
Newberry	\$77,690	26
Oconee	\$132,431	21
Orangeburg	\$504,012	10
Pickens	\$244,962	17
Richland	\$1,746,106	5
Saluda	(D)	
Spartanburg	\$633,760	9
Sumter	\$231,559	18
Union	\$21,318	38
Williamsburg	\$21,060	39
York	\$459,181	11
County Total	\$36,761,140	
Unknown 1/	\$74,946	
Other	\$160	
Total Revenues	\$36,836,246	

Notes: (D) Subject to nondisclosure -- amounts included in total.
1/: Unknown amounts allocated in future periods upon proper county identification.

Source: South Carolina Department of Revenue

**South Carolina State Admissions Tax Collections
By County
Fiscal Year 2003-04**

County	Tax Revenue (Dollars)	Rank
Abbeville	\$1,081	41
Aiken	\$615,119	10
Allendale	(D)	
Anderson	\$409,019	12
Bamberg	(D)	
Barnwell	(D)	
Beaufort	\$3,552,923	3
Berkeley	\$389,236	15
Calhoun	(D)	
Charleston	\$3,605,832	2
Cherokee	\$23,619	29
Chester	\$2,655	39
Chesterfield	\$23,569	30
Clarendon	\$43,342	25
Colleton	\$34,809	27
Darlington	\$525,108	11
Dillon	\$21,153	31
Dorchester	\$253,114	16
Edgefield	\$50,238	23
Fairfield	\$13,155	37
Florence	\$405,542	13
Georgetown	\$990,667	8
Greenville	\$2,053,043	5
Greenwood	\$179,688	17
Hampton	\$12,133	38
Horry	\$8,972,830	1
Jasper	\$30,698	28
Kershaw	\$47,860	24
Lancaster	\$54,319	21
Laurens	\$51,548	22
Lee	(D)	
Lexington	\$393,090	14
Marion	\$39,973	26
Marlboro	\$14,685	35
McCormick	\$2,476	40
Newberry	\$15,128	34
Oconee	\$111,661	20
Orangeburg	\$149,709	19
Pickens	\$1,017,249	7
Richland	\$3,130,379	4
Saluda	\$14,675	36
Spartanburg	\$626,963	9
Sumter	\$163,980	18
Union	\$18,223	33
Williamsburg	\$20,451	32
York	\$1,349,748	6
County Total	\$29,455,308	
Unknown 1/	\$89,293	
Total Revenues	\$29,544,601	

Notes: (D) Subject to nondisclosure -- amounts included in total.
1/: Unknown amounts allocated in future periods upon proper county identification.

Source: South Carolina Department of Revenue

Alcoholic Liquor Tax

Summary

Statute: Title 12, Chapter 33

Date Enacted: 1935

Date of last significant change: 1983 (increase of case taxes)

Rate:

Excise Taxes Applying to Mini-bottles

Excise Taxes Applying to Regular Liquor Bottles

	Tax	Code		Tax	Code
Mini-bottle.....	\$0.25	12-33-245	Per 8 ounces of alcohol....	\$0.17	12-33-230; 12-33-240
Standard case(wholesalers)..	\$1.81	12-33-410	Per Liter.....	\$0.72	12-33-230; 12-33-240
Standard case(retailers)....	\$2.99	12-33-460; 12-33-470	Standard case(wholesalers)..	\$1.81	12-33-410
Standard case(additional tax paid by wholesaler)....	\$0.56	12-33-420	Standard case(retailers)....	\$2.99	12-33-460; 12-33-470
Surtax.....	9%	12-33-425	Standard case(additional tax paid by wholesaler)....	\$0.56	12-33-420
	Range of: \$35-		Surtax.....	9%	12-33-425
License fees.....	\$50,000			Range of: \$35-	
			License fees.....	\$50,000	
Total tax per mini-bottle....1/	\$0.30		Total tax per liter.....2/	\$1.34	
Total tax per liter of mini-bottles.....1/	\$5.94				

Current Distribution: General Fund, Local Option Permits distributed to local government, and eleven percent of mini-bottle excise tax to counties.

FY Collections*

FY99	\$	47,170,148
FY00	\$	47,062,772
FY01	\$	49,033,548
FY02	\$	45,189,453
FY03	\$	51,062,270
FY04	\$	52,357,099

FY06 Fiscal Impacts as a Result to Change in Current Law

Repeal the sale of alcohol in minibottles and adopt a "free-pour" policy	-\$19,243,000
A five-cent excise tax on alcoholic liquor drinks	\$21,667,928

1/ Using 240 mini-bottles per case

2/ Using 10.5 as the amount of liters per case

* Includes license fees revenue

**State Excise Tax Rates on Distilled Spirits
(As of January 1, 2005)**

State	Year First Adopted	Tax Rate (Dollars per Gallon)	Tax Rate (Dollars per Liter)	Rank	Notes
Alabama	1/	State-controlled	State-controlled		
Alaska	1959	\$12.80	\$3.38	1	
Arizona	1933	\$3.00	\$0.79	17	
Arkansas	1935	\$2.50	\$0.66	20	\$0.20 per case; 14% off-premise tax
California	1935	\$3.30	\$0.87	15	
Colorado	1933	\$2.28	\$0.60	22	
Connecticut	1937	\$4.50	\$1.19	8	
Delaware	1933	\$3.75	\$0.99	13	
Florida	1935	\$6.50	\$1.72	2	\$0.0667 per oz. on-premise tax
Georgia	1937	\$3.79	\$1.00	12	\$0.83 per gallon local tax
Hawaii	1939	\$5.98	\$1.58	5	
Idaho	1/	State-controlled	State-controlled		
Illinois	1934	\$4.50	\$1.19	8	
Indiana	1933	\$2.68	\$0.71	19	
Iowa	1/	State-controlled	State-controlled		
Kansas	1948	\$2.50	\$0.66	20	8% off-premise; 10% on-premise tax
Kentucky	1934	\$1.92	\$0.51	24	\$0.05 per case; 9% wholesale tax
Louisiana	1934	\$2.50	\$0.66	20	
Maine	1/	State-controlled	State-controlled		
Maryland	1933	\$1.50	\$0.40	25	
Massachusetts	1933	\$4.05	\$1.07	10	0.57% on private club sales
Michigan	1/	State-controlled	State-controlled		
Minnesota	1934	\$5.03	\$1.33	7	\$0.01 per bottle and 9% sales tax
Mississippi	1966	State-controlled	State-controlled		
Missouri	1934	\$2.00	\$0.53	23	
Montana	1/	State-controlled	State-controlled		
Nebraska	1935	\$3.75	\$0.99	13	
Nevada	1935	\$3.60	\$0.95	14	
New Hampshire	1/	State-controlled	State-controlled		
New Jersey	1933	\$4.40	\$1.16	9	
New Mexico	1934	\$6.06	\$1.60	4	
New York	1933	\$6.44	\$1.70	3	\$1.00 per gallon New York City
North Carolina	1/	State-controlled	State-controlled		
North Dakota	1936	\$2.50	\$0.66	20	7% state sales tax
Ohio	1/	State-controlled	State-controlled		
Oklahoma	1959	\$5.56	\$1.47	6	\$1.00 per bottle; 12% on-premise tax
Oregon	1/	State-controlled	State-controlled		
Pennsylvania	1/	State-controlled	State-controlled		
Rhode Island	1933	\$3.75	\$0.99	13	
South Carolina	1935	\$2.72	\$0.72	18	\$5.36 per case and 9% surtax
South Dakota	1935	\$3.93	\$1.04	11	2% wholesale tax
Tennessee	1939	\$4.40	\$1.16	9	\$0.15 per case; 15% on-premise tax
Texas	1935	\$2.40	\$0.63	21	14% on-premise tax
Utah	1/	State-controlled	State-controlled		
Vermont	1/	State-controlled	State-controlled		10% on-premise sales tax
Virginia	1/	State-controlled	State-controlled		
Washington	1/	State-controlled	State-controlled		
West Virginia	1/	State-controlled	State-controlled		
Wisconsin	1934	\$3.25	\$0.86	16	
Wyoming	1/	State-controlled	State-controlled		
District of Columbia		\$1.50	\$0.40	25	8% off-premise; 10% on-premise tax
United States		\$13.50	\$3.57		

1/: State-owned and operated liquor stores.

Sources: Federation of Tax Administrators; Tax Foundation; Commerce Clearinghouse, various reports.

BEA/RWM/07/27/05

Beer and Wine Tax

Summary

Statute: Title 12, Chapter 21

Date Enacted: 1933

Date of last significant change: 1969 (increase of one-tenth a cent per ounce on beer tax)
1959 (inception of additional wine tax)

Rate: *Tax Rates Paid By Wholesalers:*

<u>Beer Excise Tax</u>	<u>Wine Excise Tax</u>
Beer per Ounce..... \$0.006	Wine per 8oz. up to 1 gallon.... \$0.06
Per 12 ounce can..... \$ 0.072	Wine per gallon..... \$0.90
	Additional wine tax per 8oz..... \$0.01
	Additional wine tax per gallon.. \$0.18
	Wine per liter..... \$0.25
	Additional wine tax per liter.... \$0.05
	Total tax per gallon..... \$1.08
	Total tax per liter..... \$0.30

Current Distribution: General Fund; revenue from 7-day permits to Local Governments

FY Collections *

FY99	\$	84,833,988
FY00	\$	88,445,604
FY01	\$	88,395,229
FY02	\$	89,764,172
FY03	\$	91,085,659
FY04	\$	94,298,424

* Includes license fees and permits

FY06 Fiscal Impacts as a Result to Change in Current Law

A three cents consumption tax for on premise 12-ounce beer at the point of sale	\$31,269,826
An increase on the excise tax of beer by ten-cents per can (12 ounce unit)	\$99,224,259
An increase of fifty percent to the beer excise tax	\$37,680,853
Increase the beer excise tax to one and two-tenths cents an ounce (double the current rate)	\$73,325,239
A three cents consumption tax for on premise glasses of wine at the point of sale	\$4,634,840
An increase of fifty percent to the wine excise tax	\$3,930,317
Increase the wine excise tax to one dollar eighty cents a gallon (double the current rate)	\$7,648,186

**State Excise Tax Rates on Beer
(As of January 1, 2005)**

State	Tax Rate (Dollars per Gallon)	Rank	Notes
Alabama	0.53	4	\$0.52 per gallon local tax
Alaska	1.07	1	
Arizona	0.16	21	
Arkansas	0.23	16	Additional 3% off-premise; 10% on-premise tax
California	0.20	17	
Colorado	0.08	28	
Connecticut	0.19	18	
Delaware	0.16	21	
Florida	0.48	5	\$0.0267 per 12 oz. on-premise retail tax
Georgia	0.48	5	\$0.53 per gallon local tax
Hawaii	0.93	2	
Idaho	0.15	22	
Illinois	0.185	19	
Indiana	0.115	24	
Iowa	0.19	18	
Kansas	0.18	20	
Kentucky	0.08	28	
Louisiana	0.32	10	\$0.048 per gallon local tax
Maine	0.35	9	Additional 5% on-premise tax
Maryland	0.09	27	
Massachusetts	0.11	25	0.57% on private club sales
Michigan	0.20	17	
Minnesota	0.15	22	9% sales tax
Mississippi	0.4268	6	
Missouri	0.06	29	
Montana	0.14	23	
Nebraska	0.31	11	
Nevada	0.16	21	
New Hampshire	0.30	12	
New Jersey	0.12	24	
New Mexico	0.41	7	
New York	0.11	25	\$0.12 per gallon in New York City
North Carolina	0.53	4	
North Dakota	0.16	21	7% state sales tax
Ohio	0.18	20	
Oklahoma	0.40	8	\$1.00 per case and 12% on-premise tax
Oregon	0.08	28	
Pennsylvania	0.08	28	
Rhode Island	0.10	26	
South Carolina	0.77	3	
South Dakota	0.28	13	
Tennessee	0.14	23	17% wholesale tax
Texas	0.19	18	14% on-premise tax
Utah	0.41	7	
Vermont	0.265	14	10% on-premise tax
Virginia	0.26	15	
Washington	0.261	15	
West Virginia	0.18	20	
Wisconsin	0.06	29	
Wyoming	0.02	30	
District of Columbia	0.09	27	Additional 8% off-premise; 9% on-premise tax
United States	0.58		

Sources: Federation of Tax Administrators; Commerce Clearinghouse, various reports.

BEA/RWM/07/26/05

**State Excise Tax Rates on Wine
(As of January 1, 2005)**

State	Tax Rate (Dollars per Gallon)	Tax Rate (Dollars per Liter)	Rank	Notes
Alabama	1.70	0.45	5	
Alaska	2.50	0.66	1	
Arizona	0.84	0.22	15	
Arkansas	0.75	0.20	17	\$0.05/case; 3% off- 10% on-premise
California	0.20	0.05	33	
Colorado	0.32	0.08	30	
Connecticut	0.60	0.16	22	
Delaware	0.97	0.26	11	
Florida	2.25	0.59	2	\$0.0667 per 4 oz. on-premise retail tax
Georgia	1.51	0.40	6	\$0.83 per gallon local tax
Hawaii	1.38	0.36	7	
Idaho	0.45	0.12	27	
Illinois	0.73	0.19	18	
Indiana	0.47	0.12	26	
Iowa	1.75	0.46	4	
Kansas	0.30	0.08	31	8% off-premise; 10% on-premise
Kentucky	0.50	0.13	25	9% wholesale tax
Louisiana	0.11	0.03	35	
Maine	0.60	0.16	22	Additional 5% on-premise
Maryland	0.40	0.11	28	
Massachusetts	0.55	0.15	23	
Michigan	0.51	0.13	24	
Minnesota	0.30	0.08	31	\$0.01 per bottle and 9% sales tax
Mississippi	0.35	0.09	29	
Missouri	0.30	0.08	31	
Montana	1.06	0.28	9	
Nebraska	0.95	0.25	12	
Nevada	0.70	0.18	20	
New Hampshire	State-controlled	State-controlled		
New Jersey	0.70	0.18	20	
New Mexico	1.70	0.45	5	
New York	0.19	0.05	34	
North Carolina	0.79	0.21	16	
North Dakota	0.50	0.13	25	
Ohio	0.30	0.08	31	
Oklahoma	0.72	0.19	19	\$1.00 per bottle; 12% on-premise tax
Oregon	0.67	0.18	21	
Pennsylvania	State-controlled	State-controlled		
Rhode Island	0.60	0.16	22	
South Carolina	0.90	0.24	14	
South Dakota	0.93	0.25	13	
Tennessee	1.21	0.32	8	\$0.15 per case; 15% on-premise tax
Texas	0.20	0.05	33	14% on-premise tax
Utah	State-controlled	State-controlled		
Vermont	0.55	0.15	23	
Virginia	1.51	0.40	6	
Washington	1.80	0.48	3	
West Virginia	1.00	0.26	10	5% local tax
Wisconsin	0.25	0.07	32	
Wyoming	State-controlled	State-controlled		
District of Columbia	0.30	0.08	31	8% off-premise; 9% on-premise
United States	1.07	0.28		

Sources: Federation of Tax Administrators; Commerce Clearinghouse, various reports.

BEA/RWM/07/26/05

Cigarette Tax

Summary

Statute: 12-21-620(1)

Date Enacted: 1923

Date of last changes: Increase of 1-cent effective FY1977

Rate: 7-cents per pack of 20 cigarettes

Current Distribution: General Fund

FY Collections 1/

FY99	\$	30,151,425
FY00	\$	29,684,747
FY01	\$	29,496,972
FY02	\$	29,154,727
FY03	\$	29,192,361
FY04	\$	29,742,000

FY06 Fiscal Impacts as a Result to Change in Current Law

<u>Increases in Cigarette Tax (cents)</u>	<u>Additional Revenue (in millions)</u>
5	\$17,513,605
10	\$34,555,325
15	\$51,093,801
20	\$67,150,744
25	\$82,726,730
30	\$97,820,695
35	\$112,433,126
40	\$126,338,806
45	\$139,338,920
50	\$151,737,252
55	\$163,234,020
60	\$173,597,741

1/ Includes 5% tax collection of other tobacco products

**State Excise Tax Rates on Cigarettes
(As of January 1, 2005)**

State	Year First Adopted	Tax Rate (Cents per Pack)	Rank
Alabama	1935	42.5	31
Alaska	1949	160.0	4
Arizona	1935	118.0	11
Arkansas	1929	59.0	23
California	1959	87.0	15
Colorado	1964	84.0	16
Connecticut	1935	151.0	5
Delaware	1943	55.0	26
Florida	1943	33.9	35
Georgia	1937	37.0	33
Hawaii	1939	140.0	8
Idaho	1945	57.0	24
Illinois	1941	98.0	14
Indiana	1947	55.5	25
Iowa	1921	36.0	34
Kansas	1927	79.0	18
Kentucky	1936	3.0	41
Louisiana	1932	36.0	34
Maine	1941	100.0	13
Maryland	1958	100.0	13
Massachusetts	1939	151.0	5
Michigan	1947	200.0	3
Minnesota	1947	48.0	29
Mississippi	1932	18.0	37
Missouri	1955	17.0	38
Montana	1947	170.0	4
Nebraska	1947	64.0	21
Nevada	1947	80.0	17
New Hampshire	1939	52.0	28
New Jersey	1948	240.0	2
New Mexico	1943	91.0	14
New York	1939	150.0	6
North Carolina	1969	5.0	40
North Dakota	1927	44.0	30
Ohio	1931	55.0	26
Oklahoma	1933	103.0	12
Oregon	1965	118.0	11
Pennsylvania	1937	135.0	9
Rhode Island	1939	246.0	1
South Carolina	1923	7.0	39
South Dakota	1923	53.0	27
Tennessee	1925	20.0	36
Texas	1931	41.0	32
Utah	1923	69.5	20
Vermont	1937	119.0	10
Virginia	1960	20.0	36
Washington	1935	142.5	7
West Virginia	1947	55.0	26
Wisconsin	1939	77.0	19
Wyoming	1951	60.0	22
District of Columbia		100.0	13
United States			

Sources: Federation of Tax Administrators; Tax Foundation; Commerce Clearinghouse, various reports.

BEA/RWM/07/26/05

Corporate Income Tax

Summary

Statute: Title 12, Chapter 6

Date Enacted: 1927

Date of last changes: Went from 6% to 5.5% in TY88 and from 5.5% to 5% in TY89

Rate: 5% of net corporate income

Current Distribution: State General Fund

FY Collections

FY99	\$	240,942,118
FY00	\$	207,954,745
FY01	\$	212,851,625
FY02	\$	142,935,015
FY03	\$	149,139,556
FY04	\$	174,724,918

FY06 Fiscal Impacts as a Result to Change in Current Law

* A 1% reduction in the corporation income tax based on FY04 data -\$34,945,000

* An elimination of the corporation income tax based on FY04 data -\$174,724,918

* Also note the apportionment formula for multi-state companies doing business in the State was amended in 1995 effective for TY1996. The allocation formula changed from an arithmetical average of the property ratio, the payroll ratio, and the sales ratio to the addition of the property ratio, the payroll ratio, and twice the sales ratio divided by 4.

Corporate License Tax

Summary

Statute: Title 12, Chapter 20

Date Enacted: 1922

Date of last changes: 1988 (Domestic Corps annual license fee was increased from \$5 to \$15, plus \$1 for \$1,000 of total capital stock and the entire surplus of a corp. other than its earned surplus or otherwise known as retained earnings)

Rate: **Domestic Corps.**- annual license fee is \$15, plus \$1 for \$1,000 of capital and paid in surplus)

Foreign Corps.- same license fee as Domestic Corps. except must be apportioned in accordance with the ratio used for income tax purposes.

Utility Corps.- annual license fee is \$1 for each \$1,000 of fair market value of property owned and \$3 for each \$1,000 of gross receipts for services rendered.

Note: There is a minimum license fee of \$25 for all Corps.

Current Distribution: State General Fund

FY Collections 1/

FY99	\$	38,110,679
FY00	\$	50,355,116
FY01	\$	64,432,074
FY02	\$	59,171,873
FY03	\$	64,379,993
FY04	\$	72,298,916

1/ General Fund collections only.

Fiscal Impacts as a Result to Change in Current Law

* Corporate License Tax Estimate for FY06

\$78,048,198

Documentary Stamp Tax

Summary

Statute: 12-24-10 to 12-24-150

Date Enacted: 1923

Date of last significant change: FY05 - \$0.25 of every \$1.00 in State General Fund stamp revenue is transferred to the Conservation Bank Trust Fund

Rate: \$1.85 per \$500 value

Current Distribution: \$0.75 - State General Fund; \$0.25 - Conservation Bank Trust Fund; \$0.20 - SC Housing Trust; \$0.10 - Heritage Land Trust; \$0.55 - County General Fund

FY General Fund Collections

FY99	\$30,272,157
FY00	\$32,836,846
FY01	\$31,949,533
FY02	\$36,452,318
FY03	\$37,843,570
FY04	\$49,983,048

Fiscal Impacts as a Result to Change in Current Law

* FY06 General Fund Documentary Stamp Tax estimate	\$	60,589,501
Less: Transfer to the Conservation Bank Trust Fund	\$	(15,147,375)
Net General Fund Documentary Stamp Tax estimate	\$	45,442,126

Electric Power Tax

Summary

Statute: 12-23-10

Date Enacted: 1931

Date of last significant changes: 1971 (expanded the imposition of the tax to electric cooperatives)

Rate: \$0.0005 mills per kilowatt-hour sold in the state.

Current Distribution: State General Fund

FY General Fund Collections

FY99	\$20,855,767
FY00	\$22,307,095
FY01	\$23,494,323
FY02	\$23,033,927
FY03	\$24,011,795
FY04	\$25,152,244

Fiscal Impacts as a Result to Change in Current Law

* FY06 estimate for General Fund Electric Power Tax	\$ 26,891,673
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**State Electric Power and Gross Receipts and Kilowatt Hour Excise Tax Rates
(As of January 1, 2003)**

State	Gross Receipts (Percentage of Sale)	Per Kilowatt Hour (Cents)
Alabama	2.20	
Alaska		
Arizona		
Arkansas		
California		
Colorado		
Connecticut	0.50	
Delaware	4.25	
Florida	2.50	
Georgia		
Hawaii	8.20	
Idaho	3.50	
Illinois		
Indiana		
Iowa		
Kansas		
Kentucky		
Louisiana		
Maine		
Maryland	2.00	
Massachusetts		
Michigan		
Minnesota		
Mississippi		
Missouri		
Montana		
Nebraska		
Nevada		
New Hampshire		
New Jersey	5.00	
New Mexico	0.50	
New York	3.30	
North Carolina	3.22	
North Dakota	2.00	
Ohio	4.75	
Oklahoma	4.00	
Oregon		
Pennsylvania	4.40	
Rhode Island	4.00	
South Carolina		0.0005
South Dakota	0.15	
Tennessee	3.00	
Texas	2.00	
Utah		
Vermont		
Virginia	2.00	
Washington	3.62	
West Virginia		\$0.0019
Wisconsin	3.19	
Wyoming		
District of Columbia		
United States		

Sources: State Department of Revenue / Taxation; Commerce Clearinghouse, various reports.

BEA/RWM/07/28/05

Estate Tax Summary

Statute: Title 12, Chapter 16

Date Enacted: 1922

Date of last changes: Enacted Federal Change in Tax Year 2002
(SC "piggy-backs" the Federal Estate Tax)

* Federal Changes include gradual increases in the "unified credit amount" and gradual reductions in the "credit for state death tax" (which is the state estate tax) until the state estate tax is completely repealed in TY05.

* The "credit for state death tax" was reduced 25% in TY02, reduced 50% in TY03, will be reduced 75% in TY04, and will be repealed in TY05.

* Federal law increases the unified credit from \$220,550 to \$345,800 in tax years 2002 and 2003, which will increase the threshold at which there is no state tax obligation from \$675,000 to \$1,000,000. In tax year 2004 and 2005, the unified credit is increased from \$345,800 to \$555,800, which will increase the threshold at which there is no state tax obligation from \$1,000,000 to \$1,500,000.

Rate: see following attachment

Current Distribution: State General Fund

FY Collections

FY99	\$	57,077,198
FY00	\$	43,084,826
FY01	\$	49,406,500
FY02	\$	63,622,031
FY03	\$	43,744,424
FY04	\$	32,764,757

Fiscal Impacts as a Result to Change in Current Law

Estimated Estate Tax Revenue With and Without Federal Change

Fiscal Year	Revenue Without Fed Change	Revenue With Fed Change	Lost Revenue
FY04	\$59,000,000	\$32,000,000	\$27,000,000
FY05	\$59,590,000	\$19,290,000	\$40,300,000
FY06	\$60,000,000	\$3,900,000	\$56,100,000
FY07	\$60,500,000	\$ -	\$60,500,000

Individual Income Tax

Summary

Statute: Title 12, Chapter 6

Date Enacted: 1927

Date of last change: 1994 (index brackets by half of inflation)

Rate for tax year 04: Not over \$2,500, 2.5 percent of taxable income;
Over \$2,500 but not over \$5,000, 3 percent;
Over \$5,000 but not over \$7,500, 4 percent;
Over \$7,500 but not over \$10,000, 5 percent;
Over \$10,000 but not over \$12,500, 6 percent;
Over \$12,500, 7 percent.

Note: Individuals are currently allowed a deduction from taxable income equal to forty-four percent of net capital gains recognized in a tax year. The deduction was increased from twenty-nine percent to the current rate in tax year 1995.

Current Distribution: General Fund

FY Collections 1/

FY99	\$	2,298,225,679
FY00	\$	2,445,558,607
FY01	\$	2,498,818,065
FY02	\$	2,349,195,265
FY03	\$	2,334,066,404
FY04	\$	2,438,989,825

Fiscal Impacts as a Result to Change in Current Law

Reduce the max individual income tax rate from 7% to 6% in FY05	-\$275,000,000
Reduce the max individual income tax rate from 7% to 5.9% in FY05	-\$305,000,000

1/ Includes General Fund portion of Property Tax Relief Trust Funds.

Insurance Tax

Summary

Statute: Title 38 Chapter 7

Date Enacted: 1955

Date of last significant changes: 1986 (implementation of .75% life premium tax and 1.25% other premium tax)

Rate: Worker Compensation Tax - 2.5% of premiums
Fire Insurance - 2.35% of premiums
Life Insurance - .75% of premiums collected
All Other State Insurance Rates - 1.25% of premiums collected
Various license fees

Note: * State also collects retaliatory taxes which are imposed on foreign insurance companies that are domiciled in states that have higher insurance tax rates than in South Carolina.

* Municipalities also imposed various tax rates on insurance premiums.

Current Distribution: State General Fund, Municipalities, and Counties

FY General Fund Collections

	<u>Net Premium Taxes</u>	<u>License Taxes 1/</u>	<u>Retaliatory and Other Fees</u>	<u>Total</u>
FY99	\$74,925,828	\$12,547,711	\$11,626,619	\$99,100,158
FY00	\$77,658,854	\$7,521,384	\$10,810,026	\$95,990,264
FY01	\$83,578,729	\$15,770,668	\$8,973,704	\$108,323,101
FY02	\$97,413,091	\$8,073,376	\$7,657,692	\$113,144,159
FY03	\$107,535,405	\$18,603,848	\$7,942,935	\$134,082,188
FY04	\$114,059,143	\$9,347,437	\$5,756,694	\$129,163,274

Fiscal Impacts as a Result to Change in Current Law

* FY06 estimate for General Fund Insurance Tax Revenue \$ 141,865,927

1/ Biennial licensing of insurance firms, brokers, and adjustors.

Local Taxes

**South Carolina Counties with Additional Sales Tax
(As of May 1, 2005)**

County	Date of Implementation	Type of Tax	Percent	Note
Abbeville	May 1992	Local Option	1.0%	
Aiken	May 2001	Capital Projects	1.0%	
Allendale	May 1992	Local Option	1.0%	
	May 2001	Capital Projects	1.0%	
Bamberg	May 1992	Local Option	1.0%	
Barnwell	May 1999	Local Option	1.0%	
Beaufort	June 1999	Transportation	1.0%	(Ended Dec. 1, 2000)
Berkeley	May 1997	Local Option	1.0%	
Calhoun	May 2005	Local Option	1.0%	
Charleston	July 1991	Local Option	1.0%	
	May 2005	Transportation	0.50%	
Cherokee	July 1996	School District	1.0%	(No more than 20 years)
Chester	May 1994	Local Option	1.0%	
	May 1999	Capital Projects	1.0%	(Ended May 2000)
Chesterfield	May 1997	Local Option	1.0%	
	Sept 2000	School District	1.0%	
Clarendon	May 1997	Local Option	1.0%	
	June 2004	School District	1.0%	
Colleton	July 1991	Local Option	1.0%	
Darlington	May 1997	Local Option	1.0%	
	Feb 2004	School District	1.0%	
Dillon	May 1996	Local Option	1.0%	
	May 2003	Capital Projects	1.0%	
Dorchester	May 2005	Transportation	0.50%	
Edgefield	May 1992	Local Option	1.0%	
Florence	May 1994	Local Option	1.0%	
Hampton	July 1991	Local Option	1.0%	
	May 2003	Capital Projects	1.0%	
Jasper	July 1991	Local Option	1.0%	
	May 1999	Capital Projects	1.0%	(Ended Nov. 2002)
	Dec 2002	School District	1.0%	
Kershaw	May 1997	Local Option	1.0%	
Lancaster	May 1992	Local Option	1.0%	
Laurens	May 1999	Local Option	1.0%	
Lee	May 1996	Local Option	1.0%	
Lexington	March 2005	School District	1.0%	
McCormick	July 1991	Local Option	1.0%	
Marion	July 1991	Local Option	1.0%	
Marlboro	May 1992	Local Option	1.0%	
Newberry	May 1999	Capital Projects	1.0%	
Orangeburg	May 1999	Capital Projects	1.0%	
Pickens	May 1995	Local Option	1.0%	
Richland	May 2005	Local Option	1.0%	
Saluda	May 1992	Local Option	1.0%	
Sumter	May 1996	Local Option	1.0%	
Williamsburg	May 1997	Local Option	1.0%	
York	May 1998	Capital Projects	1.0%	

Note: The taxes noted above are in addition to the 5% statewide general sales and use tax.

Source: South Carolina Department of Revenue

BEA/RWM/07/28/05

Local Sales Taxes

	Local Option Sales Tax FY 2004	Capital Project Tax FY 2004	School District Tax FY 2004	Transportation Tax	Total Local Sales Taxes FY 2004
Abbeville	1,214,718				1,214,718
Aiken		12,941,578			12,941,578
Allendale	420,037	417,565			837,602
Bamberg	911,413				911,413
Barnwell	1,693,899				1,693,899
Berkeley	13,456,729				13,456,729
Calhoun	** Started May 05				
Charleston	63,136,330			** Started May 05	63,136,330
Cherokee			4,329,524		4,329,524
Chester	1,996,245				1,996,245
Chesterfield	2,679,969		2,384,075		5,064,044
Clarendon	1,955,924		** Started June 04		1,955,924
Colleton	3,112,216				3,112,216
Darlington	5,017,521		1,126,060		6,143,581
Dillon	2,367,592	1,989,367			4,356,959
Dorchester				** Started May 05	
Edgefield	1,082,711				1,082,711
Florence	18,065,754				18,065,754
Hampton	1,277,420	1,019,986			2,297,406
Jasper	2,276,252		2,086,278		4,362,530
Kershaw	4,342,779				4,342,779
Lancaster	4,605,849				4,605,849
Laurens	3,676,499				3,676,499
Lee	784,654				784,654
Lexington			** Started March 05		
McCormick	448,670				448,670
Marion	2,277,399				2,277,399
Marlboro	1,379,243				1,379,243
Newberry		2,723,587			2,723,587
Orangeburg		8,072,609			8,072,609
Pickens	8,717,634				8,717,634
Richland	** Started May 05				
Saluda	716,595				716,595
Sumter	9,314,370				9,314,370
Williamburg	1,801,117				1,801,117
York		18,432,774			18,432,774
Sum Allocated	158,729,539	45,597,466	9,925,937		214,252,942
Unknown					
Total	158,729,539	45,597,466	9,925,937		214,252,942

Local Option Sales and Use Tax Collections by County

	LOST FY 2001	LOST FY 2002	LOST FY 2003	LOST FY 2004	Percent Change	Percent Change	Percent Change
Abbeville	1,214,927	1,264,107	1,259,160	1,214,718	4.05%	-0.39%	-3.53%
Allendale	549,837	592,564	451,577	420,037	7.77%	-23.79%	-6.98%
Bamberg	852,480	845,835	879,222	911,413	-0.78%	3.95%	3.66%
Barnwell	1,589,428	1,614,282	1,616,564	1,693,899	1.56%	0.14%	4.78%
Berkeley	10,572,771	11,186,775	12,074,121	13,456,729	5.81%	7.93%	11.45%
Charleston	55,424,198	55,686,939	58,560,040	63,136,330	0.47%	5.16%	7.81%
Chester	2,147,731	1,980,621	1,927,313	1,996,245	-7.78%	-2.69%	3.58%
Chesterfield	2,635,956	2,654,899	2,823,312	2,679,969	0.72%	6.34%	-5.08%
Clarendon	1,796,089	1,831,347	1,795,365	1,955,924	1.96%	-1.96%	8.94%
Colleton	2,858,571	2,987,531	3,037,874	3,112,216	4.51%	1.69%	2.45%
Darlington	4,652,262	4,653,023	4,777,120	5,017,521	0.02%	2.67%	5.03%
Dillon	2,094,446	2,190,788	2,215,797	2,367,592	4.60%	1.14%	6.85%
Edgefield	985,696	1,032,082	1,034,667	1,082,711	4.71%	0.25%	4.64%
Florence	16,954,298	16,912,682	17,588,549	18,065,754	-0.25%	4.00%	2.71%
Hampton	1,278,296	1,180,072	1,184,620	1,277,420	-7.68%	0.39%	7.83%
Jasper	1,741,631	1,810,544	2,167,060	2,276,252	3.96%	19.69%	5.04%
Kershaw	3,900,704	3,969,245	4,082,527	4,342,779	1.76%	2.85%	6.37%
Lancaster	4,374,804	4,515,972	4,389,020	4,605,849	3.23%	-2.81%	4.94%
Laurens	3,664,153	3,596,446	3,599,569	3,676,499	-1.85%	0.09%	2.14%
Lee	766,517	738,778	718,820	784,654	-3.62%	-2.70%	9.16%
McCormick	458,290	442,697	400,231	448,670	-3.40%	-9.59%	12.10%
Marion	2,287,743	2,222,380	2,234,035	2,277,399	-2.86%	0.52%	1.94%
Marlboro	1,610,783	1,430,920	1,385,669	1,379,243	-11.17%	-3.16%	-0.46%
Pickens	8,163,943	8,420,342	8,384,590	8,717,634	3.14%	-0.42%	3.97%
Saluda	734,647	712,822	715,749	716,595	-2.97%	0.41%	0.12%
Sumter	8,609,712	8,630,436	8,865,832	9,314,370	0.24%	2.73%	5.06%
Williamburg	1,643,992	1,737,217	1,703,652	1,801,117	5.67%	-1.93%	5.72%
Sum Allocated	143,563,905	144,841,346	149,872,055	158,729,539			
Unknown	193,445						
Total	143,757,350	144,841,346	149,872,055	158,729,539	0.75%	3.47%	5.91%

**South Carolina Local Hospitality Tax Collections 1/
By County
Fiscal Year 1999-00**

County	Tax Revenue (Dollars)
Abbeville	
Aiken	\$1,782,609
Allendale	
Anderson	
Bamberg	
Barnwell	
Beaufort	\$841,064
Berkeley	
Calhoun	
Charleston	\$135,009
Cherokee	
Chester	
Chesterfield	
Clarendon	
Colleton	\$73,839
Darlington	
Dillon	
Dorchester	\$53,176
Edgefield	
Fairfield	
Florence	
Georgetown	\$494,068
Greenville	\$71,806
Greenwood	
Hampton	
Horry	\$34,605,301
Jasper	\$178,465
Kershaw	
Lancaster	
Laurens	
Lee	
Lexington	
McCormick	
Marion	
Marlboro	
Newberry	
Oconee	
Orangeburg	\$613,377
Pickens	\$332,922
Richland	\$1,303,988
Saluda	
Spartanburg	
Sumter	
Union	
Williamsburg	
York	
Total Revenues	\$40,485,624

Note: 1/: Local tax on food and beverage sales may not exceed a maximum of 2%.

Source: South Carolina Office of Economic Research, "Local Government Finance Report".

**South Carolina Local Accommodations Tax Collections 1/
By County
Fiscal Year 1999-00**

County	Tax Revenue (Dollars)
Abbeville	\$10,647
Aiken	\$229,046
Allendale	
Anderson	\$403,091
Bamberg	
Barnwell	
Beaufort	\$2,102,199
Berkeley	\$243,383
Calhoun	
Charleston	\$8,684,947
Cherokee	\$115,083
Chester	\$83,499
Chesterfield	\$67,135
Clarendon	
Colleton	\$163,558
Darlington	\$13,402
Dillon	\$51,097
Dorchester	\$123,546
Edgefield	\$763,125
Fairfield	\$45,287
Florence	\$917,040
Georgetown	\$426,733
Greenville	\$2,356,266
Greenwood	\$68,003
Hampton	
Horry	\$99,776
Jasper	\$357,741
Kershaw	\$29,057
Lancaster	\$50,476
Laurens	
Lee	
Lexington	\$1,041,576
McCormick	
Marion	\$25,393
Marlboro	\$37,523
Newberry	\$2,216
Oconee	
Orangeburg	\$48,727
Pickens	\$130,918
Richland	\$551,460
Saluda	
Spartanburg	\$779,918
Sumter	
Union	\$45,673
Williamsburg	\$85,979
York	\$256,547
Total Revenues	\$20,410,067

Note: 1/: Local tax on accommodations may not exceed a maximum of 3%.

Source: South Carolina Office of Economic Research, "Local Government Finance Report".

Lottery

South Carolina Education Lottery Estimate History									
FY Ending June 30	BEA Estimate Net Transfers to Lottery Account	Actual Net Transfers to Education Lottery Account /1	BEA Estimate Unclaimed Prizes	Actual Unclaimed Prize Transfers /1	Treasurer's Interest Estimate	Actual Interest Transfers /1	Total Actual Lottery Revenue		
2002-2003 /2	172,000,000	293,700,000		5,692,348		4,409,643	299,392,348		
2003-2004	173,000,000								
03-04 revised 2/2004	253,000,000	270,500,000	8,000,000	18,092,605		4,942,833	293,636,438		
2004-2005	213,000,000								
04-05 revised 2/2004	243,000,000	266,000,000	12,000,000	14,257,005	5,000,000	4,244,104	284,501,109		
2005-2006 11/04	265,000,000		12,000,000		6,000,000				
South Carolina Education Lottery Fund Appropriation History									
	BEA Estimate FY05-06	Appropriation Budget FY05-06	Appropriation Budget 04-05	Appropriation Budget 03-04	Appropriation Budget 02-03				
Net Lottery Proceeds	265,000,000	265,000,000	243,000,000	173,000,000	172,000,000				
Unclaimed Prizes	12,000,000	12,000,000	12,000,000	8,000,000	7,000,000				
FY01-02 Earnings					80,000,000				
Additional Transfer Estimate				1,800,000					
Carryforward prior FY				32,203,683					
Surplus prior FY			86,000,000						
Unappropriated interest FY04-05		5,000,000							
Unspent DAODAS		1,000,000							
Interest Earnings	6,000,000	6,000,000							
Total Dollars	283,000,000	289,000,000	341,000,000	215,003,683	259,000,000				
FY03-04 Additional surplus exceeding \$86 million			4,150,000						
Additional appropriations for unclaimed prizes			6,456,605						
/1 SC Treasurer's Office									
/2 include 01-02 transfers									

FY05 South Carolina Monthly Lottery Revenue Schedule

		<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July Final</u>	<u>FY05 Year To Date</u>	<u>% of Revenue</u>	<u>FY04 Year To Date</u>	<u>% of Revenue</u>
	FY 04-05									
	Revenues									
1	Instant Sales	57,709,233	52,574,130	51,048,895	49,785,121		578,838,812		537,339,764	
2	Powerball	10,782,341	12,288,424	24,359,951	13,261,780		178,937,971		232,186,929	
3	Other Game Sales	19,359,221	18,563,482	18,570,222	18,481,588		199,175,235		180,480,976	
4	Other Fees and Revenue	274,622	350,401	302,440	626,501		3,779,569		3,269,308	
5	Total Revenue	88,125,417	83,756,437	94,281,508	82,154,940		960,731,587		953,276,976	
	Prizes									
6	Instant Prizes	39,380,373	36,296,779	35,007,250	36,727,564		396,667,017		359,887,245	
7	On-Line Prizes	15,777,380	15,214,729	21,578,393	16,256,109		176,488,062		192,399,318	
8	Total Prizes	55,157,753	51,511,508	56,585,643	52,983,673		573,155,079	59.7%	552,287,058	57.9%
	Administrative Costs									
9	Retailer Commissions	6,149,777	5,838,002	6,578,500	5,706,855		66,975,675		66,499,099	
10	Other Administrative Costs	3,660,122	3,496,107	3,604,017	4,387,315		42,703,565		44,476,148	
11	Total Administrative Costs	10,009,899	9,334,109	10,182,517	10,094,170		109,679,239	11.4%	110,975,247	11.6%
12	Monthly Net Revenues To and Due to the Lottery Account	22,957,765	22,909,202	27,516,496	19,073,723		277,899,883			
	Monthly Net Revenues To and Due to the Lottery Account FY03-04 BEA Estimate	23,857,909	23,273,108	24,253,087	19,593,511				290,014,671	
13	Accumulated Net Revenues To and Due to the Lottery Account	208,400,462	231,309,664	258,826,160	277,899,883		277,899,883	28.9%	290,014,671	30.4%
14	Accumulated Net Revenues Needed to Meet BEA Estimate	182,250,000	202,500,000	222,750,000	243,000,000		243,000,000		253,000,000	
15	Excess in Revenues	26,150,462	28,809,664	36,076,160	34,899,883		34,899,883		37,014,671	
16	Monthly Transfers to Lottery Account FY2003-2004 \$270,500,000	21,000,000	21,000,000	26,000,000	17,000,000	16,000,000			270,500,000	28.4%
17	Monthly Transfers to Lottery Account 04-05*	22,000,000	24,000,000	23,000,000	24,000,000	21,000,000	266,000,000	27.7%		

FY05 South Carolina Monthly Lottery Revenue Schedule

FY 04-05		<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>
Revenues									
1	Instant Sales	43,081,467	42,563,058	40,559,185	44,924,275	41,291,469	49,126,519	48,557,745	57,617,717
2	Powerball	13,221,925	13,411,481	17,039,143	20,009,861	14,262,725	17,425,525	12,201,621	10,693,194
3	Other Game Sales	16,150,210	15,264,037	15,106,159	15,471,899	14,517,851	15,935,622	15,368,069	16,386,925
4	Other Fees and Revenue	329,846	260,100	229,828	280,903	274,000	262,776	314,719	273,435
5	Total Revenue	72,783,448	71,498,874	72,934,313	80,686,938	70,346,045	82,750,442	76,442,154	84,971,271
Prizes									
6	Instant Prizes	29,109,603	27,668,802	27,376,745	30,593,069	27,299,838	33,467,225	35,181,361	38,558,408
7	On-Line Prizes	12,736,145	12,635,290	14,694,970	15,844,738	12,325,336	14,234,500	12,270,496	12,919,976
8	Total Prizes	41,845,748	40,304,092	42,071,715	46,437,807	39,625,174	47,701,725	47,451,857	51,478,384
Administrative Costs									
9	Retailer Commissions	5,071,608	4,986,757	5,087,249	5,621,734	4,903,393	5,774,074	5,328,992	5,928,794
10	Other Administrative Costs	3,052,620	3,410,332	3,293,602	3,411,730	3,057,818	3,472,011	3,800,020	3,957,871
11	Total Administrative Costs	8,124,227	8,397,089	8,380,851	9,033,464	7,961,211	9,246,025	9,128,012	9,786,665
12	Monthly Net Revenues To and Due to the Lottery Account	22,813,472	22,797,493	22,481,746	25,216,978	22,762,810	25,802,692	19,861,284	23,706,222
Monthly Net Revenues To and Due to the Lottery Account FY03-04 BEA Estimate		31,392,911	24,013,713	17,775,358	24,886,555	22,891,496	29,997,526	25,609,275	22,470,221
13	Accumulated Net Revenues To and Due to the Lottery Account	22,813,472	45,610,965	68,092,711	93,309,689	116,072,499	141,875,191	161,736,475	185,442,697
Accumulated Net Revenues Needed to Meet BEA Estimate									
14	BEA Estimate 04-05 \$243,000,000	20,250,000	40,500,000	60,750,000	81,000,000	101,250,000	121,500,000	141,750,000	162,000,000
15	Excess in Revenues	2,563,472	5,110,965	7,342,711	12,309,689	14,822,499	20,375,191	19,986,475	23,442,697
16	Monthly Transfers to Lottery Account FY2003-2004 \$270,500,000	2,500,000	34,000,000	17,000,000	20,000,000	27,000,000	20,000,000	26,000,000	23,000,000
17	Monthly Transfers to Lottery Account 04-05*	6,000,000	19,000,000	24,000,000	24,000,000	18,000,000	28,000,000	19,000,000	14,000,000

South Carolina Education Lottery Unclaimed Prize Account

<u>Unclaimed Prizes</u>	<u>FY 04</u>	<u>FY05</u>	YTD % change
July	\$ 2,105,907	\$ 505,503	
August	\$ 1,774,824	\$ 1,878,950	-38.56%
September	\$ 1,480,134	\$ 644,202	-43.50%
October	\$ 1,372,333	\$ 683,614	-44.87%
November	\$ 568,578	\$ 1,582,175	-27.49%
December	\$ 503,483	\$ 1,324,548	-15.20%
January	\$ 1,947,310	\$ 1,880,054	-12.85%
February	\$ 2,510,384	\$ 1,212,664	-20.80%
March	\$ 1,093,506	\$ 1,665,585	-14.82%
April	\$ 878,721	\$ 1,027,235	-12.86%
May	\$ 1,709,692	\$ 1,066,728	-15.51%
June	\$ 578,258	\$ 785,747	-13.71%
Total	\$ 16,523,130	\$ 14,257,005	-13.71%
BEA Unclaimed Prize Estimate	\$ 8,000,000	\$ 12,000,000	

Motor Fuel Tax

Summary

Statute: 12-24-110 to 12-24-2490

Date Enacted: 1922

Date of last change: 1987

Rate: \$0.1675 per gallon

Current Distribution: \$0.1034 to the State Highway Fund
 \$0.0266 to the "C" Fund
 \$0.03 to the Strategic Highway Fund (SHIMS)
 \$0.005 to DHEC
 \$0.0025 to Petroleum Inspection Fee

Following Attachment: Gasoline by Type and Allocation of Revenues

FY Collections 1/

FY99	\$433,593,204
FY00	\$455,308,122
FY01	\$449,621,752
FY02	\$456,335,008
FY03	\$467,608,145
FY04	\$489,318,641

1/ Revenues do not include DHEC and Petroleum Inspection Fees

FY05 Fiscal Impacts as a Result to Change in Current Law

Increase State Excise Tax by One Cent ¹	+	\$30,580,000
Increase State Excise Tax by Five Cents ²	+	\$152,910,000
Impose 5 percent sales tax on full retail price including taxes and fees ³	+	\$292,130,000
Impose 5 percent sales tax excluding state excise tax ⁴	+	\$268,760,000
Impose 5 percent sales tax excluding state and federal excise tax ⁵	+	\$241,885,000
Impose 5 percent sales tax excluding state and federal excise tax and SC environmental fees ⁶	+	\$240,790,000

¹Based on estimated 3.00 Billion gallons of taxable gas, diesel and LPG in SC in FY06 x \$0.01

²Based on estimated 3.00 Billion gallons of taxable gas, diesel and LPG in SC in FY06 x \$0.05

³⁻⁶Based on long-range energy price info from US DOE/EIA and taxable gallon figures from SCDOT

³Price includes cpg state excise tax (\$0.16), federal excise tax (\$0.184 gas, \$0.244 diesel, \$0.136 LPG), and state environmental fees (\$0.0075)

⁴Price less the \$0.16 state excise tax but including federal tax and SC environmental fees

⁵Price less state and federal excise tax but including SC environmental fees

⁶Retail price only / excludes all taxes and fees

"WORKING PAPER"

Gasoline, Special Fuel, and Highway-Use User Fee Revenues by Type and Allocation in South Carolina

(DOLLARS)

(Dollars)

Distribution of Motor Fuels	FY 1992-93	FY 1993-94	FY 1994-95	FY 1995-96	FY 1996-97	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04
Total Gasoline/Motor Fuel User Fees (UF)	363,412,062	368,013,147	390,846,802	396,075,179	403,995,784	420,684,109	433,593,204	455,308,122	449,621,752	456,335,008	467,608,145	489,318,641
13-Cent Motor Fuel User Fees, subtotal	295,189,587	303,895,819	315,328,930	321,639,669	328,215,426	343,215,514	352,318,244	369,968,537	365,391,118	370,424,319	379,481,022	398,825,605
Gasoline User Fee (12-28-310)	243,223,838	249,621,544	254,100,594	262,191,288	258,569,063	279,334,758	281,752,126	292,654,446	288,492,135	295,194,710	300,481,652	314,167,826
Special Fuel (SF) User Fee (12-28-310)	49,185,414	51,325,083	57,839,485	58,676,390	68,154,098	59,942,403	70,566,118	77,240,386	76,898,983	75,229,609	78,999,370	84,657,780
Highway-Use User Fee (12-31-410) 1/	2,780,335	2,949,192	3,388,851	771,992	1,492,265	3,938,353	0	73,705	0	0	0	0
3-Cent SHIMS & Econ. Dev., subtotal	66,222,475	64,117,328	75,517,872	74,435,510	75,780,358	77,468,595	81,274,960	85,339,585	84,230,634	85,910,689	88,127,123	90,493,035
Economic Development (12-28-2910)	25,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Residual SHIMS / DOT Revenue (12-28-2750) 2/	43,222,475	46,117,328	57,517,872	56,435,510	57,780,358	59,468,595	63,274,960	67,339,585	66,230,634	67,910,689	70,127,123	72,493,035
Allocation of Motor Fuel Revenues												
1% of 13-Cent Gas UF to Natural Resources (12-28-2730(A))	1,058,739	2,496,215	2,541,006	2,621,913	2,585,691	2,793,348	2,817,521	2,926,544	2,884,921	2,951,947	3,004,817	3,141,678
1-Cent Gasoline UF to General Fund / DOT (12-28-2720) 3/	18,709,526	19,201,657	19,546,200	20,168,561	19,094,162	NA	NA	NA	NA	NA	NA	NA
9.34/10.34/13.34-Cent Gas/SF & Hwy. Use to DOT (12-28-2720) 2/	258,812,366	267,247,728	287,451,786	290,166,726	297,992,418	331,040,996	341,262,458	359,294,220	354,562,486	360,192,561	369,570,505	387,213,943
2.66-Cent Allotment of 'C' funds to Counties (Gas/SF) (12-28-2740 (A))	59,831,432	61,067,546	63,307,810	65,117,979	66,323,513	68,849,765	71,513,225	75,087,357	74,174,345	75,190,500	77,032,824	80,963,019
Econ. Devel. Fund share, extra 3-Cent UF (12-28-2910) 4/	25,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Reference: Total Motor Fuel User Fee Allocation	363,412,062	368,013,147	390,846,802	396,075,179	403,995,784	420,684,109	433,593,204	455,308,121	449,621,752	456,335,008	467,608,145	489,318,641

Notes: Detail may not add to total due to rounding. Registration Fees are excluded. Act 66 of 2003, Section 3.BBB, substituted "user fee" for "tax" and "motor fuel subject to the user fee" for "taxable motor fuel" wherever appearing in Chapter 28 of Title 12.

1/ Rate increased from 13-cent per gallon effective May 1, 1986. International Fuel Tax Agreement (IFTA) effective June 1996.

2/ Beginning in FY 1993-94, remainder of extra 3-cent tax for SHIMS was allocated to DOT to service bonded debt and match federal highway funds. Sec. 12-28-2725 allocates .25-cent of total 10.34-cent distribution of user fees on gasoline to DOT for mass transit programs. References: Sec. 12-27-1260 and 12-27-1295, which were repealed by Act 136 of 1995.

3/ Effective June 1, 1997, General Fund distribution reduced to one-half cent. Effective July 1, 1997, General Fund distribution eliminated and DOT portion raised to 10.34 cents from 9.34 cents.

4/ Expenditure as authorized by S.C. Coordinating Council for Economic Development. Includes one-time transfer of \$10 million in FY 1992-93 for special project. Reference: Part II, Sec. 71 of Act 501 of 1992.

(UF): User Fee. (SF): Special Fuel (diesel). NA: Not applicable.

Source: Board of Economic Advisors, as compiled from State Treasurer and Department of Transportation (DOT) year-end reports.

BEA/MGD/08/25/04

State Gasoline Tax Rates
(As of January 1, 2005)

State	Year First Adopted	Tax Rate (Cents per Gallon)	Rank	Notes
Alabama	1923	0.18	28	
Alaska	1946	0.05	37	
Arizona	1921	0.18	28	
Arkansas	1921	0.215	18	
California	1923	0.18	28	Sales tax applicable
Colorado	1919	0.22	17	
Connecticut	1921	0.25	10	
Delaware	1923	0.23	15	
Florida	1921	0.145	34	Sales tax added to excise
Georgia	1921	0.075	36	Sales tax applicable
Hawaii	1932	0.16	33	Sales tax applicable
Idaho	1923	0.25	10	
Illinois	1927	0.201	22	Sales tax applicable
Indiana	1923	0.18	28	Sales tax applicable
Iowa	1925	0.205	21	
Kansas	1925	0.24	12	
Kentucky	1920	0.174	30	
Louisiana	1921	0.20	23	
Maine	1923	0.252	9	
Maryland	1922	0.235	13	
Massachusetts	1929	0.21	20	
Michigan	1925	0.19	25	Sales tax applicable
Minnesota	1925	0.20	23	
Mississippi	1922	0.184	27	
Missouri	1925	0.1703	31	
Montana	1921	0.27	5	
Nebraska	1925	0.263	7	
Nevada	1923	0.23	15	
New Hampshire	1923	0.195	24	
New Jersey	1927	0.145	34	
New Mexico	1919	0.189	26	
New York	1929	0.232	14	Sales tax applicable
North Carolina	1921	0.2685	6	
North Dakota	1919	0.21	20	
Ohio	1925	0.26	8	
Oklahoma	1923	0.17	32	
Oregon	1919	0.24	12	
Pennsylvania	1921	0.30	2	
Rhode Island	1925	0.31	1	
South Carolina	1922	0.16	33	
South Dakota	1922	0.22	17	
Tennessee	1923	0.214	19	
Texas	1923	0.20	23	
Utah	1923	0.245	11	
Vermont	1923	0.20	23	
Virginia	1923	0.175	29	
Washington	1921	0.28	4	
West Virginia	1923	0.27	5	Sales tax applicable
Wisconsin	1925	0.291	3	
Wyoming	1923	0.14	35	
District of Columbia		0.225	16	
United States		0.184		

Sources: Federation of Tax Administrators; Tax Foundation; Commerce Clearinghouse, various reports.

BEA/RWM/07/26/05

Motor Vehicle Sales Tax

Summary

Statute: 12-36-2110

Date Enacted: 1984

Date of last changes: 1984 (capped at \$300)

Rate: the lesser of 5% of sale or \$300

Current Distribution: General Fund

FY Estimated Collections 1/

FY06 \$ 86,600,000

FY06 Fiscal Impacts as a Result to Change in Current Law

Revenue Generated From Incremental Increases in Sales Tax Cap on Motor Vehicles With the Sales Tax Rate at 5 Percent

Sales Tax Cap (Dollars)	Estimated Tax Collections (Millions)	Additional Tax Collections (Millions)
\$400	\$104.5	\$17.9
\$600	\$133.0	\$46.4
\$800	\$152.3	\$65.7
\$1,000	\$164.1	\$77.5
\$1,200	\$170.8	\$84.2
\$1,400	\$174.6	\$88.0
\$1,600	\$176.6	\$90.0
\$1,800	\$177.7	\$91.1
\$2,000	\$178.3	\$91.7

Revenue Generated From Replacing the Sales Tax Cap on Motor Vehicles With a Sales Tax on Total Value of Vehicle

Sales Tax (Percent)	Estimated Tax Collections (Millions)	Additional Tax Collections (Millions)
1%	\$36.0	(\$50.6)
2%	\$72.0	(\$14.6)
3%	\$108.0	\$21.4
4%	\$144.0	\$57.4
5%	\$180.0	\$93.4

Note: The \$300 sales tax cap is revenue neutral at 2.4% sales tax rate.

Following Attachments: Combination of Exempting Vehicle Value and Adding a Sales Tax

1/ Sales tax revenue on motor vehicles is not kept by DOR.
Sources of data: SC Dept. of Motor Vehicles; SC Auto Dealers Association
Note: Calculations made by the Board of Economic Advisors.

Table 3

**Additional Revenue Generated From Replacing the Sales Tax Cap
On Motor Vehicles With a Combination of Exempting
Vehicle Value and Adding a Sales Tax
(Figures are in Millions)**

Sales Tax (Percent)	Exemption of Vehicle Value (Dollars)			
	\$1,000	\$5,000	\$10,000	\$15,000
5.0	\$91.5	\$69.0	\$44.6	\$9.0
4.0	\$55.9	\$37.9	\$18.4	(\$10.2)
3.0	\$20.3	\$6.7	(\$7.9)	(\$29.3)
2.0	(\$15.3)	(\$24.4)	(\$34.1)	(\$48.4)
1.0	(\$51.0)	(\$55.5)	(\$60.3)	(\$67.5)
				\$20,000
				(\$26.6)
				(\$38.6)
				(\$50.6)
				(\$62.6)
				(\$74.6)

Table 4

**Revenue Generated From Replacing the Sales Tax Cap
On Motor Vehicles With a Combination of Exempting
Vehicle Value and Adding a Sales Tax
(Figures are in Millions)**

Sales Tax (Percent)	Exemption of Vehicle Value (Dollars)			
	\$1,000	\$5,000	\$10,000	\$15,000
5.0	\$178.1	\$155.6	\$131.2	\$95.6
4.0	\$142.5	\$124.5	\$105.0	\$76.4
3.0	\$106.9	\$93.3	\$78.7	\$57.3
2.0	\$71.3	\$62.2	\$52.5	\$38.2
1.0	\$35.6	\$31.1	\$26.3	\$19.1
				\$20,000
				\$60.0
				\$48.0
				\$36.0
				\$24.0
				\$12.0

Notes: Calculations made by the Board of Economic Advisors.

The \$300 sales tax cap currently amounts to an estimated \$86.6 million.

Sources: S.C. Automobile Dealers Association; S.C. Division of Motor Vehicles; S.C. Code of Laws, 1976.

Table 5

**Additional Revenue Generated From Removing the Sales Tax Cap on Motor Vehicles
and Replace With Exempting Specific Value of the Motor Vehicle and Applying a
5 Percent Sales Tax to Any Remaining Value of the Motor Vehicle**

(Figures are in Millions)

Exemption Value (Dollars)	Change in Current Sales Tax Revenue (Millions)
\$1,000	\$91.5
\$2,000	\$86.9
\$3,000	\$81.7
\$4,000	\$76.5
\$5,000	\$69.0
\$6,000	\$64.5
\$7,000	\$60.0
\$8,000	\$55.3
\$9,000	\$50.3
\$10,000	\$44.6
\$11,000	\$38.7
\$12,000	\$32.2
\$13,000	\$24.8
\$14,000	\$17.0
\$15,000	\$9.0
\$16,000	\$1.5
\$17,000	(\$5.9)
\$18,000	(\$13.2)
\$19,000	(\$20.0)
\$20,000	(\$26.6)

Note: Calculations made by the Board of Economic Advisors.
The \$300 sales tax cap currently amounts to an estimated \$86.6 million.

Sources: S.C. Automobile Dealers Association; S.C. Division of Motor Vehicles;
S.C. Code of Laws, 1976.

**Sales Tax Rates on Motor Vehicles East of the Mississippi River
(As of June 2004)**

State	General Sales Tax Rate	State Rate of Car Tax	Additional Tax/Explanation	Sales Tax Range ^I	
				Low	High
South Carolina	5%	5%	Taxed up to \$300 maximum		\$300
Georgia	4%	4%	+ 1-3% Local tax	\$1,120	\$1,960
North Carolina ^{II}	4.5%	3%	Taxed on entire net purchase price (\$1,500 Cap Repealed October 2001)		\$840
Alabama	4%	2%	+ Local tax	\$560	\$1,120
Arkansas	6% (effective 3/1/2004)	6%	+ Local tax up to 3%	\$1,680	\$2,520
Connecticut ^{III}	6%	6%	Taxed on entire net purchase price		\$1,680
Delaware	None	2.75%	Taxed on entire net purchase price		\$770
District of Columbia	5.75%	Based on weight	6% under 3,500 lbs. 7% over 3,500 lbs.		\$1,680 \$1,960
Florida	6%	6%	+ Local tax up to 1.5%	\$1,680	\$2,100
Illinois ^{IV}	6.25%	6.25%	Taxed on entire net purchase price		\$1,750
Indiana	6%	6%	Taxed on entire net purchase price		\$1,680
Kentucky ^V	6%	6%	Taxed on entire net purchase price		\$1,680
Louisiana	4%	4%	Taxed on entire net purchase price		\$1,120
Maine	5%	5%	Taxed on entire net purchase price		\$1,400
Maryland	5%	5%	Taxed on entire net purchase price		\$1,400
Massachusetts	5%	5%	Taxed on entire net purchase price		\$1,400
Minnesota ^{VI}	6.5%	6.5%	Taxed on entire net purchase price		\$1,820
Mississippi	7%	Based on weight	5% under 10,000 lbs. 3% over 10,000 lbs.		\$1,400 \$840
New Hampshire ^{VII}	None	None			
New Jersey	6%	6%	Taxed on entire net purchase price		\$1,680
New York	4.25%	4.25%	Local tax up to 4.5%, based upon county of residence	\$1,190	\$2,450
Ohio	6%	6%	+ Local tax	\$1,680	
Pennsylvania ^{VIII}	6%	6%	+ 1 % in selected counties	\$1,680	\$1,960
Rhode Island	7%	7%	Taxed on entire net purchase price		\$1,960
Tennessee	7%	7%	1 st \$1,600 taxed locally at 1.5-2.75%, 2 nd \$1,600 taxed at State's 2.75%, price in excess of \$3,200 taxed at 7%	\$24	\$44 \$44 \$1,736
Texas	6.25% (+ up to 2% local)	6.25%	No additional taxes on vehicles		\$1,750
Vermont ^{IX}	6%	6%	Taxed on entire net purchase price		\$1,680
Virginia	3.5%	3%	Taxed on entire net purchase price		\$840
West Virginia ^X	6%	5%	Taxed on entire net purchase price		\$1,400
Wisconsin	5%	5%	+ Local tax up to 0.6%		\$1,568

^I Calculations are based on the average new car price of \$28,000, as reported by the Federal Reserve Board

^{II} Not a sales tax, but a Highway Use Tax

^{III} Special rate of 4.5% for any member of the armed forces currently serving active duty in Connecticut, but is a resident of another state

^{IV} In the sale of a vehicle between two parties, there are 2 scenarios: (1) The tax on a vehicle valued at less than \$15,000 is determined by its age, (2) The tax on a vehicle valued over \$15,000 is determined by a vehicle tax bracket

^V Not a sales tax, but a Motor Vehicle Usage Tax (enforced at any transfer of ownership)

^{VI} If a vehicle is valued under \$3,000 or is over ten years old, the 6.5% tax is not enforced, but a flat tax of not less than ten dollars is imposed

^{VII} Not a sales tax but a Registration Tax

^{VIII} Sixty-five counties enforce a state sales tax without any additional local taxes

^{IX} All licensed vehicles are subject to a purchase and use tax rather than a motor vehicle sales tax

^X Not a sales tax but a Motor Vehicle Privilege Tax, administered by the Department of Motor Vehicles

Source: Information provided by sales tax and DMV officials in respective states

Motor Vehicle Sales Tax Collections for Fiscal Year 2003

State	Car Tax Rate	Collections (In Millions)	Collections (Per Capita)	Rankings:	
				Per Capita	Total
South Carolina	5%	\$86.6	\$21	29	26
Georgia	4%	\$747.5	\$86	15	7
North Carolina	3%	\$377.4	\$45	27	19
Alabama ^I	2%	\$200.0	\$44	28	22
Arkansas	6%	\$218.8	\$80	19	21
Connecticut	6%	\$395.3	\$113	5	16
Delaware	2.75%	\$57.7	\$71	20	27
District of Columbia	6%, 7%	\$37.1	\$66	22	29
Florida	6%	\$1,193.4	\$70	21	4
Illinois	6.25%	\$1,347.0	\$106	7	2
Indiana	6%	\$539.0	\$87	14	13
Kentucky	6%	\$389.0	\$94	11	17
Louisiana	4%	\$291.4	\$65	23	20
Maine	5%	\$109.1	\$84	17	25
Maryland	5%	\$669.3	\$121	3	9
Massachusetts	5%	\$612.5	\$95	10	10
Minnesota	6.5%	\$605.6	\$120	4	11
Mississippi	5%, 3%	\$385.7	\$134	1	18
New Hampshire	N/A	N/A	N/A	30	30
New Jersey	6%	\$754.6	\$84	17	6
New York ^{II}	4.25%	\$919.7	\$48	26	5
Ohio	6%	\$708.3	\$62	24	8
Pennsylvania	6%	\$1,245.9	\$101	9	3
Rhode Island	7%	\$116.9	\$106	7	24
Tennessee ^{III}	7%	\$496.3	\$85	16	14
Texas	6.25%	\$2,693.4	\$122	2	1
Vermont	6%	\$54.6	\$88	13	28
Virginia	3%	\$442.7	\$60	25	15
West Virginia	5%	\$167.7	\$93	12	23
Wisconsin	5%	\$583.9	\$107	6	12

^I Figures include every motored vehicle (RV, Tractors, Automobiles, etc.), and are Alabama's best estimate

^{II} Most recent figures are from March 2000-Feb. 2001; a portion of these figures may include vehicle repairs

^{III} Because the collection figures in Tennessee are annually reported by automobile dealers, a portion of the figures may include vehicle repairs

Source: Information provided by sales tax and DMV officials in respective states
BEA/EED/6/17/04

Property Taxes

Summary of Local Government Property Taxes

- Property taxes are generally assessed and collected by local governments, but the Department of Revenue (DOR) collects and assesses some property taxes, which are listed below. DOR also oversees all property tax assessments to ensure equitable and uniform assessment throughout the state.
- Each class of property is assessed at a ratio unique to that type of property.
- The assessment ratio is applied to the market value of the property to determine the assessed value of the property. Each county, municipality or other taxing entity then applies its millage rate to the assessed value to determine the tax due.
- Real and personal property of manufacturers, utilities, railroads, carlines, airlines, and business personal property of merchants is assessed by DOR. The county assessor assesses all other real and personal property.

Total Assessed Value by Class of Property

2005 Index Tax Year 2003	Assessment Ratio	TOTAL ASSESSED VALUE
Owner-Occupied	4.0%	4,216,071,993
Agricultural (Private)	4.0%	90,053,219
Agricultural (Corporate)	6.0%	23,319,861
Commercial/Rental	6.0%	4,830,517,433
Personal Property (Vehicles) **	9.0%	2,120,497,898
Other Personal Property County	10.5%	388,425,323
Fee-in-Lieu		703,300,221
Manufacturing	10.5%	1,230,088,735
Utility	10.5%	1,303,039,166
Business Personal	10.5%	634,820,707
Motor Carrier		55,675,202
Total		15,595,809,758

** Starting with TY 02, the assessment ratio on personal motor vehicles has decreased by .75% per year and will continue to do so until it reaches the 6.0% assessment ratio.

Total Assessed Value by School District

2005 Index of Taxpaying Ability

Tax Year 2003

District Name	Number	Total Assessed Value	Estimated Value of One Mil
Abbeville	60	57,387,117	57,387
Aiken	1	458,004,882	458,005
Allendale	1	22,428,796	22,429
Anderson	1	138,725,589	138,726
Anderson	2	51,538,611	51,539
Anderson	3	39,158,727	39,159
Anderson	4	83,178,830	83,179
Anderson	5	241,417,905	241,418
Bamberg	1	16,521,930	16,522
Bamberg	2	12,772,840	12,773
Barnwell	19	8,871,704	8,872
Barnwell	29	13,427,830	13,428
Barnwell	45	28,509,908	28,510
Beaufort	1	897,990,275	897,990
Berkeley	1	531,056,782	531,057
Calhoun	1	56,079,429	56,079
Charleston	1	1,944,373,633	1,944,374
Cherokee	1	173,971,367	173,971
Chester	1	98,901,840	98,902
Chesterfield	1	112,523,090	112,523
Clarendon	1	26,248,838	26,249
Clarendon	2	42,919,015	42,919
Clarendon	3	8,010,872	8,011
Colleton	1	123,569,194	123,569
Darlington	1	212,841,027	212,841
Dillon	1	8,557,491	8,557
Dillon	2	42,650,721	42,651
Dillon	3	14,772,201	14,772
Dorchester	4	248,836,425	248,836
Dorchester	2	50,275,820	50,276
Edgefield	1	57,017,302	57,017
Fairfield	1	121,784,987	121,785
Florence	1	320,894,863	320,895
Florence	2	13,680,549	13,681
Florence	3	55,442,698	55,443
Florence	50	17,311,823	17,312
Florence	5	15,516,713	15,517
Georgetown	1	342,680,927	342,681
Greenville	9	1,658,124,345	1,658,124
Greenwood	50	175,958,812	175,959
Greenwood	51	15,173,877	15,174
Greenwood	52	67,189,636	67,190
Hampton	1	29,153,400	29,153
Hampton	2	13,207,279	13,207
Horry	1	1,191,431,085	1,191,431

Total Assessed Value by School District

2005 Index of Taxpaying Ability
Tax Year 2003

District Name	Number	Total Assessed Value	Estimated Value of One Mil
Jasper	1	67,530,144	67,530
Kershaw	1	172,900,589	172,901
Lancaster	1	175,912,516	175,913
Laurens	55	91,050,170	91,050
Laurens	56	46,427,684	46,428
Lee	1	31,779,331	31,779
Lexington	1	277,099,252	277,099
Lexington	2	189,301,459	189,301
Lexington	3	34,532,035	34,532
Lexington	4	26,510,640	26,511
Lexington	5	304,865,345	304,865
McCormick	1	31,068,401	31,068
Marion	1	44,779,747	44,780
Marion	2	24,825,384	24,825
Marion	3	10,241,536	10,242
Marion	4	0	0
Marlboro	1	66,679,226	66,679
Newberry	6	97,045,029	97,045
Oconee	1	382,263,831	382,264
Orangeburg	3	53,213,955	53,214
Orangeburg	4	68,554,315	68,554
Orangeburg	5	145,205,612	145,206
Pickens	1	324,646,419	324,646
Richland	1	629,846,237	629,846
Richland	2	329,776,055	329,776
Saluda	1	33,098,240	33,098
Spartanburg	1	75,897,389	75,897
Spartanburg	2	136,116,334	136,116
Spartanburg	3	62,034,660	62,035
Spartanburg	4	41,480,428	41,480
Spartanburg	5	189,215,932	189,216
Spartanburg	6	227,592,209	227,592
Spartanburg	7	186,200,112	186,200
Sumter	2	113,701,910	113,702
Sumter	17	129,766,500	129,767
Union	1	66,452,672	66,453
Williamsburg	1	81,606,417	81,606
York	1	70,550,946	70,551
York	2	227,832,288	227,832
York	3	316,723,644	316,724
York	4	151,394,180	151,394
TOTAL		15,595,809,758	15,595,810

FY 2006 Property Tax Projections

Owner-Occupied	812,559,024
Agricultural (Private)	28,367,275
Agricultural (Corporate)	7,501,581
Commercial/Rental	1,439,720,407
Personal Property (Vehicles)	594,331,618
Other Personal Property County	66,737,776
Fee-in-Lieu	206,069,824
Manufacturing	408,083,110
Utility	433,552,100
Business Personal	206,306,618
Motor Carrier	18,849,974
Total	4,222,079,307

Totals do not include any property tax relief. Totals represent property taxes paid by the taxpayer

Trust Fund for Tax Relief

Tax Year	Homestead Exemption	Residential Property Tax Exemption	Manufacturer's Depreciation Reimbursement	Merchant's Inventory Tax Exemption	Total
TY 1996	\$47,956,105	\$216,942,851	n/a	\$40,557,257	\$305,456,213
TY 1997	\$49,557,883	\$227,400,845	n/a	\$40,557,257	\$317,515,985
TY 1998	\$51,329,733	\$237,849,369	\$23,614,194	\$40,557,257	\$353,350,553
TY 1999	\$53,579,824	\$251,576,947	\$35,729,165	\$40,557,257	\$381,443,193
TY 2000	\$119,783,281	\$241,614,944	\$38,746,703	\$40,557,257	\$440,702,185
TY 2001	\$127,749,042	\$249,069,750	\$43,773,787	\$40,557,257	\$461,149,836
TY 2002	\$138,220,677	\$249,069,750	\$45,624,171	\$40,557,257	\$473,471,855
TY 2003	\$147,839,923	\$249,069,750	\$47,597,238	\$40,557,257	\$485,064,168
Projection **	\$161,809,398	\$249,069,750	\$53,722,377	\$40,557,257	\$505,158,783
Projection **	\$172,440,486	\$249,069,750	\$51,803,044	\$40,557,257	\$513,870,537

** Based on the continuation of the inclusion of Proviso 69A.2 that is contained in the FY 2004 Appropriation Act.

Sales Tax

Summary

Statute: Title 12, Chapter 36

Date Enacted: 1951

Date of last changes: 1970 - enacted change of 3% to 4%
1985 - enacted change of 4% to 5% with increase going to EIA

Rate: 5%

Current Distribution: 80% to the General Fund and 20% to EIA

FY Collections 1/

FY99	\$ 1,889,614,818
FY00	\$ 1,980,792,357
FY01	\$ 2,000,208,478
FY02	\$ 2,026,514,449
FY03	\$ 2,071,062,999
FY04	\$ 2,201,749,634

FY06 Fiscal Impacts as a Result to Change in Current Law

Incremental Increases in State Sales Tax

Additional Revenue (in millions)

One-Cent	\$601
Two-Cents	\$1,166
Three-Cents	\$1,696
Four-Cents	\$2,194
Five-Cents	\$2,660
Six-Cents	\$3,097
Seven-Cents	\$3,504
Eight-Cents	\$3,885
Nine-Cents	\$4,239
Ten-Cents	\$4,569

Note: Based on the February 15, 2005 BEA General Fund forecast.

1/ Excludes (1%) Education Improvement Act, (2%) Accommodations, and any Local Option Sales Tax.
Includes Casual Sales and Excise Taxes.

**State Sales Tax Rates
(As of January 1, 2005)**

State	Tax Rate
Alabama	4.00
Alaska	N/A
Arizona	5.60
Arkansas	6.00
California	6.25
Colorado	2.90
Connecticut	6.00
Delaware	N/A
Florida	6.00
Georgia	4.00
Hawaii	4.00
Idaho	6.00
Illinois	6.25
Indiana	6.00
Iowa	5.00
Kansas	5.30
Kentucky	6.00
Louisiana	4.00
Maine	5.00
Maryland	5.00
Massachusetts	5.00
Michigan	6.00
Minnesota	6.50
Mississippi	7.00
Missouri	4.23
Montana	N/A
Nebraska	5.50
Nevada	6.50
New Hampshire	N/A
New Jersey	6.00
New Mexico	5.00
New York	4.25
North Carolina	4.50
North Dakota	5.00
Ohio	6.00
Oklahoma	4.50
Oregon	N/A
Pennsylvania	6.00
Rhode Island	7.00
South Carolina	5.00
South Dakota	4.00
Tennessee	7.00
Texas	6.25
Utah	4.75
Vermont	6.00
Virginia	4.00
Washington	6.50
West Virginia	6.00
Wisconsin	5.00
Wyoming	4.00
District of Columbia	5.75

Note: N/A - Not Applicable, state does not have a sales tax.

Source: Federation of Tax Administrators; Commerce Clearinghouse, various reports.

BEA/RWM/07/26/05

Sales and Use Revenue Impact in FY06 From Exempting Food

<u>Proposed Tax</u> <u>Rate on Food</u>	<u>Total Revenue Loss</u> <u>1/</u>
4%	\$ 61,830,000
3%	\$ 123,660,000
2%	\$ 185,495,000
1%	\$ 247,325,000
0%	\$ 309,160,000

1/ Of this amount, General Fund revenue would be reduced by 80% of this number, and EIA funds would be reduced by 20% of this number.

Education Improvement Act

Summary

Statute: Title 12 Chapter 35

(Enacted by "SC Educational Improvement Act of 1984";
Act No. 512)

Date Enacted: 1984

Rate: 1% of all taxable sales

FY Collections 1/

FY99	\$475,414,957
FY00	\$499,748,081
FY01	\$509,892,204
FY02	\$504,392,815
FY03	\$513,965,432
FY04	\$545,044,293

Fiscal Impacts as a Result to Change in Current Law 1/

* EIA estimate for FY05	\$	577,734,261
* EIA estimate for FY06	\$	600,716,368

* Note: Estimate based on 02/15/05 BEA revenue forecast

1/ Includes interest earnings

Sales Tax Exemptions

South Carolina Office of Research & Statistics				
MAXIMUM TAX AND EXEMPTIONS FORECAST FY2005-06				
Section Number	Year		Description of Exempt Product	Total Exemption (Dollars)
	Enacted			
12-36-2110	1984		Sales Tax Caps	
(A1-7)			Motor Vehicles, Motorcycles, Boats, Airplanes, Trailer or semi pulled by a truck, Tractor and horse trailers, Recreational vehicles, Self-propelled light construction equipment maximum 160 net engine horsepower	93,400,000
(B1-4)			Sale of Manufactured Homes	29,376,000
(C)			The sale of musical instruments, or office equipment, purchased by religious organizations.	
(D)			Repealed (machines used in research and development, moved to 12-36-2120 (56)).	51,000
(E)			Equipment provided, supplied, or installed on a firefighting vehicle is included with the vehicle.	Repealed
12-36-2120	1951		Exemptions prohibited by the US or SC Constitutions	
12-36-2120	1984		Tangible personal property sold to Federal Government	
12-36-2120	1951		Publications and on-line access used in a course of study in all schools or for students' use in the school library.	180,000,000
			Public and private K-12 and college textbooks, course materials, and library materials.	15,300,000
12-36-2120	1951		Books, periodicals, newspapers, microfilm, microfiche, and access to on-line information sold to publicly supported state, regional, or county libraries.	
12-36-2120	1951		Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur.	39,600,000
12-36-2120	1951		Feed for production and maintenance of poultry and livestock	13,158,000
12-36-2120	1951		Insecticides, chemicals, fertilizers, soil conditioners, seeds, seedlines, or nursery stock, used in production of farm products, or in the cultivation of poultry or livestock feed.	9,588,000
12-36-2120	1951		Containers and labels used for preparing agriculture, dairy, grove, garden, turpentine and gum resin for sale.	510,000
12-36-2120	1951		Newsprint paper, newspapers, religious publications and Dept. of Agriculture's "The Market Bulletin"	9,106,525
			Newsprint paper	
			Newsprint Sales	
			Religious Publications & Sales	
			SC Ag. "Market Bulletin"	
12-36-2120	1951		Coal, coke, or fuel sold to manufacturers, electric power companies, and transportation cos.	77,814,283
			Electric Utility	
			Other Industry	
			Transportation	
			Excluded	
12-36-2120	1951		Meals or foodstuffs used in school meals. Also meals or foodstuffs for the elderly, disabled, homeless, or needy.	6,038,528
(A)			School Meals	
(B)			Meals provided to elderly and disabled	
(C)&(D)			Food sold to charities for homeless (USDA eligible) and USDA eligible food sold to public or charities for congregate or homeless, needy, disabled or elderly, over 18yr. Old.	
12-36-2120	1986		Toll charges for transmission of messages and transactions.	65,200,000
(A)			Voice messages between telephone exchanges (long distance)	
(B)			Telegraph messages	

Sales Tax Exemptions

South Carolina Office of Research & Statistics			
MAXIMUM TAX AND EXEMPTIONS FORECAST FY2005-06			
Section Number	Year Enacted	Description of Exempt Product	Total Exemption (Dollars)
	(D)	Automatic teller machine transactions	
12-36-2120	(12)	Water sold by public utilities, if rates and charges are the kind determined by the Public Service Commission or sold by nonprofit corp. falling under Chapter. 36 of Title 33.	21,898,460
12-36-2120	(13)	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce.	666,315
12-36-2120	(14)	Wrapping paper, wine, bags, and containers for sale and delivery of tangible personal property	
12-36-2120	(15)	Fuel under Chapter. 28 Title 12 (fuel subject to the \$0.1675 motor fuels tax - \$0.16 state excise tax and \$0.0075 environmental and inspection fees)	15,000,000
	(A)	On & Off highway usage	211,223,646
	(C)	Fuel used for farm machinery	
	(D)	Fuel used by shrimpers, etc.	
12-36-2120	(16)	Farm machinery and replacement parts and attachments used in planting, production and preservation of milk on dairy farms, poultry products, and poultry farms when sold in the original state of production or preparation for sale.	
12-36-2120	(17)	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale.	1,530,000
12-36-2120	(18)	Fuel to cure agriculture products	54,111,403
		Cure Tobacco	679,678
		Cure Corn	
		Cure Peanuts	
12-36-2120	(19)	Electricity for cotton gins, manufacturers, miners, or quarries for sale of tangible personal property	68,112,842
12-36-2120	(20)	Railroad cars, locomotives and their parts, monorail cars, and engines or motors that propel them, and parts.	72,800
12-36-2120	(21)	Vessels and barges more than 50 tons burden.	15,800
12-36-2120	(22)	Missile assembly materials used by the Armed Forces of the US.	Classified
12-36-2120	(23)	Farm, grove, vineyard, and garden products sold in original state of production or preparation for sale, when sold by the producer or members of the producers immediate family.	102,000
12-36-2120	(24)	Supplies & machinery bought by dry cleaners, laundries, carpet cleaners, dry cleaner supplies, dry cleaner machinery, carpet cleaners.	1,121,079
12-36-2120	(25)	Out of state resident of the US Armed Forces vehicle purchase when by reason of orders is located in SC.	1,275,000
12-36-2120	(26)	Supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television. systems for use in programs.	6,277,998
12-36-2120	(27)	Plants and animal sales to public zoo's or gardens and its nonprofit support corp.	6,872
12-36-2120	(28)	Medicine and prosthetic devices sold by prescription. Radiopharmaceuticals used in treatment of cancer and other related diseases and medicines used to prevent respiratory syncytial virus are also exempt.	175,644,985
	(A)	Prescription medicine, prosthetics, cancer prescriptions, clinics, free prescription samples	
	(B)	Diabetic Supplies	
	(C)	Home Infusion Supplies	
	(D)	Prescriptions donated to SC medical schools	
	(E)	Dental Prosthetics	
12-36-2120	(29)	Sale of tangible personal property by persons under written contract with the federal govt. where the property is transferred to the federal govt.	0

Sales Tax Exemptions

South Carolina Office of Research & Statistics MAXIMUM TAX AND EXEMPTIONS FORECAST FY2005-06			Total Exemption (Dollars)
Section Number	Year Enacted	Description of Exempt Product	
12-36-2120 (30)	1978	Supplies, commodities, and services resold by Div. of General Services of SCB&CB to dept. and state agencies, if the tax was paid on the divisions original purchase.	185,750
12-36-2120 (31)	1979	Vacation time sharing plans, vacation multiple ownership interests, and exchanges of interests in vacation time sharing plans and vacation multiple ownership interests as provided by Chapter 32 of Title 27, and any other exchange of accommodations in which the accommodations to be exchanged are the primary consideration.	
12-36-2120 (32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk.	3,570,000
12-36-2120 (33)	1979	Electricity, or any combustible heating material or substance used for residential purposes.	1,145,790
		Electricity	137,857,522
		Natural Gas	
		Kerosene	
		Fuel Oil	
		Coal	
		LP Gas	
12-36-2120 (34)	1980	Modular Homes 35% of gross proceeds of the sale.	1,338,750
12-36-2120 (35)	1982	Motion Picture film sold or rented to theaters.	2,417,472
12-36-2120 (36)	1983	Tangible personal property sold out of state	0
12-36-2120 (37)	1983	Petroleum asphalt products, used in paving, purchased in this State, which are transported and consumed out of state.	487,407
12-36-2120 (38)	1985	Hearing aids	1,127,080
12-36-2120 (39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes.	459,000
12-36-2120 (40)	1988	Containers and chassis including parts sold to international shipping lines in contract with SCSPA and used for import and export of goods to and from SC.	420,250
12-36-2120 (41)	1989	Organizations exempt under Sect 12-37-220 A (3-4), and B (5-8), (12), (16), (19), (22), and (24) if the net proceeds are used exclusively for exempt purposes and no benefits inure to any individual.	
12-36-2120 (42)	1989	Depreciable assets used in the operation of a business pursuant to the sale of the business. When the entire business is sold by the owner.	5,100,000
12-36-2120 (43)	1991	All supplies, tech. equipment, machinery, and electricity sold to motion picture companies for use in filming or producing a motion picture.	102,000
12-36-2120 (44)	1991	Electricity to irrigate crops	40,000
12-36-2120 (45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or livestock.	25,466
12-36-2120 (46)	1991	War memorials or monuments affixed to public property.	51,000
12-36-2120 (47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge.	40,000
12-36-2120 (48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste disposal.	226,870
12-36-2120 (49)	1994	Postage purchased by a person engaged in the business of selling advertising services for clients	33,660
12-36-2120 (50)	1995	Recycling products	630,350
(A)		Recycling property	2,550,000
(B)		Fuels and gasses of any type, and fluids and lubricants used in recycling facilities.	
(C)		Tangible personal property becoming an ingredient or component part of products manufactured for sale by a recycling facility.	
(D)		Tangible personal property of a recycling facility used for handling or transfer of postconsumer waste material, or manufacturing process, or in the handling or transfer of manufactured products.	
(E)		Machinery and equipment foundations for recycling facilities.	

Sales Tax Exemptions

South Carolina Office of Research & Statistics MAXIMUM TAX AND EXEMPTIONS FORECAST FY2005-06				
Section Number	Year		Description of Exempt Product	Total Exemption (Dollars)
	Enacted			
12-36-2120	50 (F)		Recycling property, qualified recycling facility, and postconsumer waste material as in Sect. 12-6-3460	
12-36-2120	(51)	1996	Material handling systems and equipment used in distribution facility	1,020,000
12-36-2120	(52)	1996	Parts and supplies used by business for repairing aircraft owned or leased by federal government or commercial carriers	408,000
12-36-2120	(53)	1996	Motor vehicle extended service contracts and warranty's	866,750
12-36-2120	(54)	1999	Clothing and attire for working in a Class 100 or better environment	26,265
12-36-2120	(55)	2000	Audiovisual masters	52,530
12-36-2120	(56)	2000	Machines used in research and development	1,377,000
12-36-2120	(57)	2000	Sales tax holiday	5,219,735
12-36-2120	(58)	2000	Cooperative direct mail promotional advertising materials, delivered to residents of SC from locations inside or outside the State.	525,300
12-36-2120	(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric transmission assets.	0
12-36-2120	(60)	2001	Lottery tickets (leaving the purchase price of ticket a whole dollar)	34,300,000
12-36-2130	(1)		Use tax exemption	Included with sales tax
12-36-2130	(2)		Purchases made by Museums	51,000
12-36-2610			Discount for timely filed payment of tax, maximum discount of \$10,000 for voluntarily registered out-of-state retailers and \$3,100 for retailers filing by EFT)	20,502,000
12-36-2620	(2)		85yrs. & older 1% exemption	5,987,000
TOTAL OF EXEMPTIONS				1,324,781,751