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State Property Tax Comparisons: Residential Property

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KEY FINDINGS

This policy brief compares the taxation of residential property in South Carolina with that in four other Southeastern states: Georgia, North Carolina, Tennessee, and Virginia. Among the five states, South Carolina had the largest difference in property taxes faced by owner-occupied residential property and those faced by rental or second home residential property of the same value, in the same jurisdiction.

Among the five states, two factors contribute to large differences in tax bills faced by owner-occupied residential property and rental or second home residential property. These factors are:

1. Lower taxable values for owner-occupied residential property, and
2. Unrestricted property tax relief for owner-occupied residential property.

In Georgia, South Carolina, and Tennessee, owner-occupied residential property and rental or second home residential property is valued differently for tax purposes. *Excluding other tax relief*, at any given tax rate and property value:

- In South Carolina, a rental or second home will have a tax bill that is 50 percent higher than the tax bill of an owner-occupied residential property.
- In Tennessee, a rental or second home (2 or more units per property) will have a tax bill that is 60 percent higher than the tax bill for an owner-occupied residential property.
- In Georgia, owner-occupied residential property receives a reduction of \$2,000 in taxable value compared to rental/second home property. Thus the percentage difference between the two tax bills depends on the value of the property, with the relative homeowner benefit declining as taxable value increases.

South Carolina provides an additional benefit for all owner-occupied residential property: full relief from school operating taxes. (Taxes for school debt service are not included in this tax relief.) School operating tax rates vary widely around the state, but can make up close to half of an entire tax bill. Using 2008 tax rates and exempting owner-occupied residential property from school operating taxes:

- In Greenville County/Greenville City, South Carolina, a rental or second home would have a tax bill that is 138 percent higher than the tax bill of an owner-occupied residential property of the same fair market value.
- In Pickens County/Clemson City, South Carolina, a rental or second home would have a tax bill that is 133 percent higher than the tax bill of an owner-occupied residential property of the same fair market value.
- In general, a rental or second home in South Carolina is likely to have a tax bill that is two to three times higher than the one for an owner-occupied residential property of the same fair market value.

The four other states do not provide unrestricted tax relief to homeowners.

METHODOLOGY

We examined laws governing the taxation of residential property in Georgia, North Carolina, South Carolina, Tennessee, and Virginia. We estimated 2008 county, municipal, and school district taxes owed in two counties in each state for owner-occupied residential property and rental or second home residential property valued at both \$100,000 and \$1 million. Taxes and fees for other taxing districts are excluded.

We only included homeowner property tax relief programs in the tax estimates when they were unrestricted; that is, available to persons of any age, disability or veteran status, and/or income level. Detailed analyses for each state are in the appendix.

STATE DIFFERENCES IN RESIDENTIAL PROPERTY TAXATION

We found significant differences in the tax treatment of residential property among the five states (Table 1).

Table 1. Property Taxation of Owner-Occupied and Rental/2nd Home Residential Property

	No difference in tax treatment	Lower taxable values for homeowners	Unrestricted tax relief for homeowners	Restricted tax relief for homeowners
Georgia		X		X
North Carolina	X			X
South Carolina		X	X	X
Tennessee		X		X
Virginia	X			X

- **North Carolina and Virginia** make no distinction for tax purposes between homeowner and other types of residential property.
- **Georgia** gives homeowners a \$2,000 reduction in the taxable value of their homes, which reduces taxes owed by a small amount over the taxes owed on a rental property with the same fair market value. Rental/second home residential property does not receive this discount.
- **South Carolina and Tennessee** each tax a smaller fraction of the market value of owner-occupied residential property than rental or second home residential property. In these states, tax bills are very different between these two types of property.
- **South Carolina** fully exempts all owner-occupied property from paying taxes for school operations. Because this homestead exemption is unrestricted and applies to all owner-occupied residential property, it was factored into the state tax comparisons. With the school tax exemption, owner-occupied residential properties pay much lower taxes than rental or second home residential properties, because school operating taxes may be close to half of the entire taxes owed.
- **Georgia, North Carolina, Tennessee, and Virginia** give partial property tax relief from some local taxes to homeowners who meet specific age, disability, or veteran status. Most of these programs set income ceilings for eligibility, which are generally quite low. In addition to school tax relief for all homeowners, **South Carolina** provides partial relief from county and municipal taxes to elderly and disabled homeowners. South Carolina's programs do not have an income ceiling. None of these restricted tax relief programs were included in the analysis in this policy brief.

CONVERTING MARKET VALUE INTO TAXABLE VALUE: ASSESSMENT RATIOS

Fair market value is the price a piece of property would sell for given a willing buyer and a willing seller. County and state property assessors periodically estimate the fair market value of real and personal property for tax purposes. The assessment ratio is the percentage of fair market value upon which tax is levied, which varies by state and by type of property.

Some states tax 100 percent of fair market value, including North Carolina and Virginia. This is known as a 100 percent assessment ratio. Other states tax a smaller fraction of a property's

fair market value. Georgia taxes 40 percent of a property's value, which is a 40 percent assessment ratio (Table 2).

Still other states apply different assessment ratios to different kinds of property. Of the five Southeastern states examined, Tennessee and South Carolina assess owner-occupied residential property at a lower rate than rental or second home residential property. Tennessee has two assessment ratios: 25 percent for owner-occupied residential property and 40 percent for all other real property. South Carolina uses four different assessment ratios, which range from 4 percent to 10.5 percent. The 4 percent assessment ratio applies to owner-occupied residential property and the 6 percent assessment ratio applies to rental, second home, and commercial property.

Table 2. Assessment Ratios for Owner-Occupied and Other Residential Property

State	Owner-Occupied Residential	Rental/2 nd Home
Georgia (a)	40% of FMV less \$2,000	40% of FMV
North Carolina	100% of FMV	100% of FMV
South Carolina	4% of FMV	6% of FMV
Tennessee (b)	25% of FMV	25% or 40% of FMV
Virginia	100% of FMV	100% of FMV

(a) Georgia offers an additional \$2,000 reduction in assessed value for homeowner property, which is a 5.3% reduction in assessed value on a \$100,000 property, but only a 0.5% reduction on a \$1 million property.

(b) The 25% assessment ratio in Tennessee applies to single-unit, non-homeowner property. The 40% assessment ratio applies to non-homeowner property when there are 2 or more units on the same property.

The different assessment ratios in South Carolina and Tennessee make a large difference in the amount of tax owed on properties with the same fair market value, but a different tax status (Table 3). For any given tax rate and property value:

- In South Carolina, a rental or second home will have a tax bill that is 50 percent higher than the tax bill of an owner-occupied residential property (tax relief excluded).
- In Tennessee, a rental or second home (2 or more units per property) will have a tax bill that is 60 percent higher than the tax bill of an owner-occupied residential property (tax relief excluded).

Tennessee makes a distinction between types of rental or second home residential property. Tennessee treats rental or second home residential property as owner-occupied for tax purposes when there is only one unit per property, such as a single home on a lot. These properties are taxed using the 25 percent assessment ratio. When there are two or more units per property, however, those units are taxed using the 40 percent assessment ratio.

Georgia uses the same 40 percent assessment ratio for both owner-occupied residential property and rental and second home residential property, but the state gives homeowners a \$2,000 reduction in their assessed value before the tax rate is applied. This \$2,000 reduction in assessed value is less than 5 percent of the assessed value of properties over \$105,000 (fair

market value), so it has a much smaller impact on taxes owed than the very different assessment ratios in South Carolina and Tennessee.

Table 3. State Assessed Value (AV) on Residential Property (\$100,000 fair market value)

State	Ratio	Owner-Occ. AV (a)	Ratio	Rental/2 nd Home AV (b)	Rental vs. Owner AV
Georgia (a)	40% less \$2,000	\$38,000	40%	\$40,000	5.3% higher
North Carolina	100%	\$100,000	100%	\$100,000	0% higher
South Carolina (b)	4%	\$4,000	6%	\$6,000	50% higher
Tennessee (c)	25%	\$25,000	40%	\$40,000	60% higher
Virginia	100%	\$100,000	100%	\$100,000	0% higher

(a) Georgia's \$2,000 reduction in assessed value for homeowner property is a 5.3% reduction in assessed value on a \$100,000 property, but only a 0.5% reduction on a \$1 million property.

(b) South Carolina example excludes effect of homeowner school property tax relief on taxes owed.

(c) The 25% assessment ratio applies to single-unit, non-homeowner property. The 40% assessment ratio applies to non-homeowner property when there are 2 or more units on the same property.

PROPERTY TAX RELIEF

All five states offer property tax relief to owner-occupied residential property (Table 4).

Georgia, North Carolina, Tennessee, and Virginia restrict their homeowner tax relief to property owners who meet income and other criteria, usually age, disability, or veteran status. For example, Georgia's Standard Elderly General Homestead Exemption is limited to homeowners aged 65 and older whose annual income does not exceed \$10,000 (Social Security and some other retirement income excluded). This exemption reduces assessed value by \$4,000 and applies to state, county, and school taxes, including those for debt service. With Georgia's 40 percent assessment ratio, this level of property tax relief amounts to a 10 percent reduction in assessed value and in overall taxes levied.

Table 4. State and Local Property Tax Relief

	Restricted Tax Relief (a)						Un-Restricted
	Elderly	Disabled	Disabled Veteran	Other	Income Limits	Tax Deferral or Freeze	
Georgia	X	X	X	X	X	X	
North Carolina	X	X	X		X	X	
South Carolina	X	X					X
Tennessee	X	X	X		X	X	
Virginia	X	X		X	X		

(a) Qualifying conditions and tax relief provided vary from state to state.

Some Georgia counties also offer homestead exemptions that are more generous than the state's, but they are also restricted by age and/or income limits. In Virginia, elderly or disabled homeowners can obtain full or partial tax relief based on their income. Income limits are set by the counties and vary around the state. South Carolina provides partial relief from county and municipal taxes to all elderly and disabled homeowners, but does not have an income requirement.

All tax relief programs that are available only to owner-occupied residential property reduce the amount of taxes paid by homeowners when compared to the taxes paid by owners of rental or second home residential property. Because most of these programs were established for the purpose of keeping homeowners with limited income in their homes in the face of rising taxes, they are restricted by age, disability, and income level. As such, they are available only to a portion of the state's owner-occupied residential property owners.

In a departure from the traditional policy focus of homeowner tax relief, South Carolina also provides full relief from taxes for school operations to all owner-occupied residential property, regardless of the owner's age or income. This program is fairly new, starting in 2007. The effect of South Carolina's homeowner school tax relief on tax bill differences between owner-occupied and rental or second home residential property depends on local tax rates. In school districts where taxes for school operations are a larger share of total taxes, the greater the difference between taxes on owner-occupied and rental or second home residential property (Table 5).

Table 5: State and Local Property Tax Relief

	Elderly	Disabled	Disabled/Veteran	Other	Income Limits	Tax Deferral or Freeze	Unrestricted
Georgia	X	X	X	X	X	X	
Florida	X	X	X		X	X	
North Carolina	X	X					
South Carolina	X	X					X
Tennessee	X	X	X	X	X	X	
Virginia	X	X		X	X		

Table 5. South Carolina Homeowner School Tax Relief: Impact on Tax Bills for \$100,000 Owner-Occupied and Rental/Second Home Residential Property

School District	Combined Tax Rate (a)	School Opns. Tax (b) (% of Total)	Taxes on Own-Occ. (c)	Taxes Rental/2 nd Home (d)	Percentage Difference in Tax Bill
Aiken	0.28510	43.5%	\$644	\$1,711	165%
Beaufort	0.19860	37.9%	\$494	\$1,192	141%
Calhoun	0.34000	37.9%	\$844	\$2,040	142%
Charleston	0.29070	37.5%	\$727	\$1,744	140%
Edgefield	0.50004	35.5%	\$1,290	\$3,000	133%
Lancaster	0.40550	35.4%	\$1,048	\$2,433	132%
Lexington 4	0.45060	49.0%	\$920	\$2,704	194%
Newberry	0.43974	42.2%	\$1,017	\$2,638	159%
Oconee	0.25240	47.7%	\$528	\$1,514	187%
Williamsburg	0.40890	31.5%	\$1,120	\$2,453	119%

(a) Combined rate includes school district operations and debt service, county and municipal tax rates in 2004. Rate is dollars tax owed per \$1,000 assessed value.

(b) Homeowner school tax relief is provided only for taxes for school operations, not for debt service.

(c) Owner-occupied residential property pays taxes for school district debt service plus county and municipal taxes. The assessment ratio is 4% of fair market value.

(d) Rental/second home residential property pays taxes on school district operations and debt service, plus county and municipal taxes. The assessment ratio is 6% of fair market value.

CONCLUSION

Among the five Southeastern states reviewed, South Carolina has by far the largest difference in property taxes on owner-occupied residential property compared to taxes on rental or second home residential property of equal market value.

In both South Carolina and Tennessee, different property assessment ratios ensure that tax bills on rental or second home residential property will always be significantly higher than tax bills on owner-occupied property of the same value in the same jurisdiction. In South Carolina, rental or second home property pays at least 50 percent more in taxes because of a higher assessment ratio; in Tennessee, such property pays 60 percent more.

Georgia reduces homeowner assessed value by \$2,000, but this adjustment lowers homeowner taxes less than five percent on all property over \$105,000 in fair market value compared to rentals and second homes. North Carolina and Virginia use the same assessment ratio for both types of residential property.

South Carolina's recently added school tax relief program for homeowners more than doubles the state's 50 percent difference in taxes on rental and second home property compared with owner-occupied residential property. The larger the share of taxes for school operations in total taxes, the greater the difference between taxes on owner-occupied and rental or second

home residential property. Higher school tax rates are more common in districts with low property values. In some other districts, taxpayers choose higher rates to buy better quality or expanded education services.

From a public policy perspective, South Carolina's very unequal taxation of rental and second home residential property will further erode the property tax base for all local governments by:

- discouraging private investment in rental residential property, which is a necessary component of the state's housing stock as well as an important resource for the state's tourism industry;
- encouraging investment in low cost but owner-occupied housing as an alternative to rental housing; and
- encouraging conversion of higher value second homes to primary residences, and vice versa.

From the fundamental public policy perspectives of equity, adequacy, and efficiency, South Carolina's recent changes in property tax burdens have made the state's property tax system less functional in all three objectives.

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Appendix: State Property Tax Comparisons
Owner-occupied and rental residential property
Summary 2008:
Estimated Taxes

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State	South Carolina		Georgia	
County	Pickens	Greenville	Hall	Rabun
Municipality	Clemson	Greenville	Gainesville	Clayton

Owner-Occupied @ \$100K FMV

State	\$0	\$0	\$10	\$10
County	\$240	\$246	\$238	\$329
School Operations (c)	\$0	\$0	\$282	\$339
School Bonds (c)	\$224	\$170	\$16	\$0
Municipality	\$324	\$360	\$106	\$320
Total	\$788	\$776	\$652	\$998
Homeowner Tax Credit	\$0	\$0	(\$140)	(\$140)
Grand Total	\$788	\$776	\$512	\$858

Owner-Occupied @ \$1 million FMV

State	\$0	\$0	\$100	\$100
County	\$2,400	\$2,460	\$2,380	\$3,290
School Operations (c)	\$0	\$0	\$2,820	\$3,390
School Bonds (c)	\$2,240	\$1,700	\$160	\$0
Municipality	\$3,240	\$3,600	\$1,060	\$3,200
Total	\$7,880	\$7,760	\$6,520	\$9,980
Homeowner Tax Credit	\$0	\$0	(\$140)	(\$140)
Grand Total	\$7,880	\$7,760	\$6,380	\$9,840

Rental/2nd Home @ \$100K FMV

State	\$0	\$0	\$10	\$10
County	\$360	\$369	\$250	\$347
School Operations (c)	\$654	\$685	\$297	\$357
School Bonds (c)	\$336	\$255	\$16	\$0
Municipality	\$486	\$539	\$106	\$320
Total	\$1,836	\$1,849	\$679	\$1,034
Homeowner Tax Credit	\$0	\$0	\$0	\$0
Grand Total	\$1,836	\$1,849	\$679	\$1,034

Rental/2nd Home @ \$1 million FMV

State	\$0	\$0	\$100	\$100
County	\$3,600	\$3,690	\$2,500	\$3,468
School Operations (c)	\$6,540	\$6,852	\$2,968	\$3,568
School Bonds (c)	\$3,360	\$2,550	\$156	\$0
Municipality	\$4,860	\$5,394	\$1,064	\$3,200
Total	\$18,360	\$18,486	\$6,788	\$10,336
Homeowner Tax Credit	\$0	\$0	\$0	\$0
Grand Total	\$18,360	\$18,486	\$6,788	\$10,336

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State	North Carolina		Tennessee (*)	
County	Buncombe	Transylvania	Knox	Sevier
Municipality	Asheville	Brevard	Knoxville	Sevierville

(*) Includes single-unit rentals/2nd homes in TN only.

Owner-Occupied @ \$100K FMV

State	\$0	\$0	\$0	\$0
County	\$525	\$540	\$673	\$385
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$420	\$495	\$703	\$78
Total	\$945	\$1,035	\$1,375	\$463
Homeowner Tax Credit	\$0	\$0	\$0	\$0
Grand Total	\$945	\$1,035	\$1,375	\$463

(*) Includes single-unit rental/2nd homes in TN only.

Owner-Occupied @ \$1 million FMV

State	\$0	\$0	\$0	\$0
County	\$5,250	\$5,400	\$6,725	\$3,850
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$4,200	\$4,950	\$7,025	\$775
Total	\$9,450	\$10,350	\$13,750	\$4,625
Homeowner Tax Credit	\$0	\$0	\$0	\$0
Grand Total	\$9,450	\$10,350	\$13,750	\$4,625

Rental/2nd Home @ \$100K FMV

(*) 2 or more units/property in TN.

State	\$0	\$0	\$0	\$0
County	\$525	\$540	\$1,076	\$616
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$420	\$495	\$1,124	\$124
Total	\$945	\$1,035	\$2,200	\$740
Homeowner Tax Credit	\$0	\$0	\$0	\$0
Grand Total	\$945	\$1,035	\$2,200	\$740

Rental/2nd Home @ \$1 million FMV

(*) 2 or more units/property in TN.

State	\$0	\$0	\$0	\$0
County	\$5,250	\$5,400	\$10,760	\$6,160
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$4,200	\$4,950	\$11,240	\$1,240
Total	\$9,450	\$10,350	\$22,000	\$7,400
Homeowner Tax Credit	\$0	\$0	\$0	\$0
Grand Total	\$9,450	\$10,350	\$22,000	\$7,400

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State	Virginia	
County	Montgomery	Roanoke
Municipality	Blacksburg	Roanoke

Owner-Occupied @ \$100K FMV

State	\$0	\$0
County	\$710	\$1,090
School Operations (c)	\$0	\$0
School Bonds (c)	\$0	\$0
Municipality	\$220	\$1,190
Total	\$930	\$2,280
Homeowner Tax Credit	\$0	\$0
Grand Total	\$930	\$2,280

Taxes:

Min	\$463	TN
Max	\$2,280	VA
Mean	\$996	
Median	\$894	

Owner-Occupied @ \$1 million FMV

State	\$0	\$0
County	\$7,100	\$10,900
School Operations (c)	\$0	\$0
School Bonds (c)	\$0	\$0
Municipality	\$2,200	\$11,900
Total	\$9,300	\$22,800
Homeowner Tax Credit	\$0	\$0
Grand Total	\$9,300	\$22,800

Taxes:

Min	\$4,625	TN
Max	\$22,800	VA
Mean	\$10,214	
Median	\$9,375	

Rental/2nd Home @ \$100K FMV

State	\$0	\$0
County	\$710	\$1,090
School Operations (c)	\$0	\$0
School Bonds (c)	\$0	\$0
Municipality	\$220	\$1,190
Total	\$930	\$2,280
Homeowner Tax Credit	\$0	\$0
Grand Total	\$930	\$2,280

Taxes:

Min	\$679	GA
Max	\$2,280	VA
Mean	\$1,353	
Median	\$1,034	

Rental/2nd Home @ \$1 million FMV

State	\$0	\$0
County	\$7,100	\$10,900
School Operations (c)	\$0	\$0
School Bonds (c)	\$0	\$0
Municipality	\$2,200	\$11,900
Total	\$9,300	\$22,800
Homeowner Tax Credit	\$0	\$0
Grand Total	\$9,300	\$22,800

Taxes:

Min	\$6,788	GA
Max	\$22,800	VA
Mean	\$13,527	
Median	\$10,343	

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Owner-occupied and rental residential property

South Carolina 2008

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NOTE: SC provides unrestricted 100% school tax relief for homeowners and additional tax relief from city and county taxes for homeowners who are disabled and/or elderly. There are no income requirements.

	Pickens County, SC (Clemson City)			
	Owner-occupied residential		Rental/2nd home residential	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	4%	4%	6%	6%
Assessed Value (property value to be taxed)	\$4,000	\$40,000	\$6,000	\$60,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$4,000	\$40,000	\$6,000	\$60,000
Property Tax Rates (b)				
<i>(Liability in dollars per \$1,000 APV)</i>				
State	0.00000	0.00000	0.00000	0.00000
County	0.06000	0.06000	0.06000	0.06000
School Operations	0.00000	0.00000	0.10900	0.10900
School Bonds	0.05600	0.05600	0.05600	0.05600
Municipality	0.08100	0.08100	0.08100	0.08100
Total	0.19700	0.19700	0.30600	0.30600
Unrestricted Tax Exemptions/Credits (a,c,d)				
State	-	-	-	-
County	-	-	-	-
School	100% school operations	100% school operations	-	-
Municipality	-	-	-	-
Estimated Taxes Owed (a,c,d,e)				
State	\$0	\$0	\$0	\$0
County	\$240	\$2,400	\$360	\$3,600
School Operations	\$0	\$0	\$654	\$6,540
School Bonds	\$224	\$2,240	\$336	\$3,360
Municipality	\$324	\$3,240	\$486	\$4,860
Total	\$788	\$7,880	\$1,836	\$18,360
Addl. taxes paid by rental property			\$1,048	\$10,480

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates from SC Association of Counties "2008 Property Tax Report" or county auditors.

(c) Owner-occupied residential property pays no taxes for school operations in SC.

(d) Excludes credit from Local Option Sales Tax factor in Pickens County.

(e) Excludes additional millage or fees for other local taxing districts.

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South Carolina 2008

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NOTE: SC provides unrestricted 100% school tax relief for homeowners and additional tax relief from city and county taxes for homeowners who are disabled and/or elderly. There are no income requirements.

Market or Appraised Value	Greenville County, SC (Greenville City)			
	Owner-occupied residential		Rental/2nd home residential	
	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	4%	4%	6%	6%
Assessed Value (property value to be taxed)	\$4,000	\$40,000	\$6,000	\$60,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$4,000	\$40,000	\$6,000	\$60,000
Property Tax Rates (b)				
(Liability in dollars per \$1,000 APV)				
State	0.00000	0.00000	0.00000	0.00000
County	0.06150	0.06150	0.06150	0.06150
School Operations	0.00000	0.00000	0.11420	0.11420
School Bonds	0.04250	0.04250	0.04250	0.04250
Municipality	0.08990	0.08990	0.08990	0.08990
Total	0.19390	0.19390	0.30810	0.30810
Unrestricted Tax Exemptions/Credits (a,c,d)				
State	-	-	-	-
County	-	-	-	-
School	100% school operations	100% school operations	-	-
Municipality	-	-	-	-
Estimated Taxes Owed (a,c,d,e)				
State	\$0	\$0	\$0	\$0
County	\$246	\$2,460	\$369	\$3,690
School Operations	\$0	\$0	\$685	\$6,852
School Bonds	\$170	\$1,700	\$255	\$2,550
Municipality	\$360	\$3,596	\$539	\$5,394
Total	\$776	\$7,756	\$1,849	\$18,486
Addl. taxes paid by rental property			\$1,073	\$10,730

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates from SC Association of Counties "2008 Property Tax Report" or county auditors.

(c) Owner-occupied residential property pays no taxes for school operations in SC.

(d) Excludes credit from Local Option Sales Tax factor in Pickens County.

(e) Excludes additional millage or fees for other local taxing districts.

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Owner-occupied and rental residential property

Georgia 2008

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NOTE: GA provides a small amount of unrestricted tax relief for homeowners, and additional relief to homeowners who are disabled, veterans, or elderly and meet income requirements.

	Hall County, GA (Gainesville City)			
	Owner-occupied residential		Rental/2nd home residential	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	40%	40%	40%	40%
Assessed Value (property value to be taxed)	\$40,000	\$400,000	\$40,000	\$400,000
Additional homeowner assessment exemptions (a)	\$2,000	\$2,000	-	-
Adjusted assessed value	\$38,000	\$398,000	\$40,000	\$400,000
Property Taxes (b)				
Tax Rates (one mill = tax liability in dollars per \$1,000 in assessed value)				
State	0.00025	0.00025	0.00025	0.00025
County	0.00625	0.00625	0.00625	0.00625
School Operations (c)	0.00742	0.00742	0.00742	0.00742
School Bonds (c)	0.00039	0.00039	0.00039	0.00039
Municipality	0.00266	0.00266	0.00266	0.00266
Total	0.01697	0.01697	0.01697	0.01697
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School	-	-	-	-
Municipality	-	-	-	-
Other: Homeowners' Tax Relief Grant Credit 2008	\$140	\$140		
Estimated Taxes Owed (a,c,e)				
State	\$10	\$100	\$10	\$100
County	\$238	\$2,488	\$250	\$2,500
School Operations (d)	\$282	\$2,953	\$297	\$2,968
School Bonds (d)	\$16	\$156	\$16	\$156
Municipality	\$106	\$1,064	\$106	\$1,064
Total (adjusted for HTRG credit)	\$511	\$6,620	\$679	\$6,788
Addl. taxes paid by rental property			\$168	\$168

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from GA Dept. of Revenue or county websites. HTRG Credit not funded in 2009.

(c) School millage for Hall Co. is for Gainesville Independent Schools only. Hall Co. school millage = .01642.

(d) Operating mills are applied to adjusted homeowner assessed value; bond mills are applied to full value.

(e) Excludes additional millage for other taxing districts.

Prepared by Ellen W. Saltzman

Jim Self Center on the Future, STI, Clemson U.

October 29, 2009

Appendix: State Property Tax Comparisons

Owner-occupied and rental residential property

Georgia 2008

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NOTE: GA provides a small amount of unrestricted tax relief for homeowners, and additional relief to homeowners who are disabled, veterans, or elderly and meet income requirements.

	Rabun County, GA (Clayton City)			
	Owner-occupied residential		Rental/2nd home residential	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	40%	40%	40%	40%
Assessed Value (property value to be taxed)	\$40,000	\$400,000	\$40,000	\$400,000
Additional homeowner assessment exemptions (a)	\$2,000	\$2,000	-	-
Adjusted assessed value	\$38,000	\$398,000	\$40,000	\$400,000
Property Taxes (b)				
Tax Rates (one mill = tax liability in dollars per \$1,000 in assessed value)				
State	0.00025	0.00025	0.00025	0.00025
County	0.00867	0.00867	0.00867	0.00867
School Operations (c)	0.00892	0.00892	0.00892	0.00892
School Bonds (c)	0.00000	0.00000	0.00000	0.00000
Municipality	0.00800	0.00800	0.00800	0.00800
Total	0.02584	0.02584	0.02584	0.02584
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School	-	-	-	-
Municipality	-	-	-	-
Other: Homeowners' Tax Relief Grant Credit 2008	\$140	\$140		
Estimated Taxes Owed (a,c,e)				
State	\$10	\$100	\$10	\$100
County	\$329	\$3,451	\$347	\$3,468
School Operations (d)	\$339	\$3,550	\$357	\$3,568
School Bonds (d)	\$0	\$0	\$0	\$0
Municipality	\$320	\$3,200	\$320	\$3,200
Total (adjusted for HRTG credit)	\$858	\$10,160	\$1,034	\$10,336
Addl. taxes paid by rental property			\$176	\$176

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from GA Dept. of Revenue or county websites. HTRG Credit not funded in 2009.

(c) School millage for Hall Co. is for Gainesville Independent Schools only. Hall Co. school millage = .01642.

(d) Operating mills are applied to adjusted homeowner assessed value; bond mills are applied to full value.

(e) Excludes additional millage for other taxing districts.

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Appendix: State Property Tax Comparisons

Owner-occupied and rental residential property

North Carolina 2008

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NOTE: NC provides tax relief for homeowners who are disabled, veterans, or elderly and meet income requirements.

	Buncombe County, NC (Asheville City)			
	Owner-occupied residential		Rental/2nd home residential	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	100%	100%	100%	100%
Assessed Value (property value to be taxed)	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Property Taxes (b)				
Tax Rates (tax liability in dollars per \$100 in assessed value)				
State	0.00000	0.00000	0.00000	0.00000
County	0.52500	0.52500	0.52500	0.52500
School Operations (c)	in county millage; districts receive county appropriations.			
School Bonds (c)	bonds issued by county; debt service paid by local sales tax.			
Municipality	0.42000	0.42000	0.42000	0.42000
Total	0.94500	0.94500	0.94500	0.94500
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School Operations (c)	-	-	-	-
School Bonds (c)	-	-	-	-
Municipality	-	-	-	-
Other	-	-	-	-
Estimated Taxes Owed (a,c,d)				
State	\$0	\$0	\$0	\$0
County	\$525	\$5,250	\$525	\$5,250
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$420	\$4,200	\$420	\$4,200
Total	\$945	\$9,450	\$945	\$9,450
Addl. taxes paid by rental property			\$0	\$0

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from NC Dept. of Revenue or county websites.

(c) NC school districts have no taxing authority.

(d) Excludes additional millage for other taxing districts.

Appendix: State Property Tax Comparisons

Owner-occupied and rental residential property

North Carolina 2008

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NOTE: NC provides tax relief for homeowners who are disabled, veterans, or elderly and meet income requirements.

Market or Appraised Value	Transylvania County, NC (Brevard City)			
	Owner-occupied residential		Rental/2nd home residential	
	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	100%	100%	100%	100%
Assessed Value (property value to be taxed)	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Property Taxes (b)				
Tax Rates (tax liability in dollars per \$100 in assessed value)				
State	0.00000	0.00000	0.00000	0.00000
County	0.54000	0.54000	0.54000	0.54000
School Operations (c)	in county millage; districts receive county appropriations.			
School Bonds (c)	bonds issued by county; debt service paid by local sales tax.			
Municipality	0.49500	0.49500	0.49500	0.49500
Total	1.03500	1.03500	1.03500	1.03500
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School Operations (c)	-	-	-	-
School Bonds (c)	-	-	-	-
Municipality	-	-	-	-
Other	-	-	-	-
Estimated Taxes Owed (a,c,d)				
State	\$0	\$0	\$0	\$0
County	\$540	\$5,400	\$540	\$5,400
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$495	\$4,950	\$495	\$4,950
Total	\$1,035	\$10,350	\$1,035	\$10,350
Addl. taxes paid by rental property			\$0	\$0

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from NC Dept. of Revenue or county websites.

(c) NC school districts have no taxing authority.

(d) Excludes additional millage for other taxing districts.

Appendix: State Property Tax Comparisons

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Owner-occupied and rental residential property Tennessee 2008

NOTE: TN provides tax relief for homeowners who are disabled, veterans, or elderly and meet income requirements.

	Knox County, TN (Knoxville City)			
	Owner-occupied residential		Rental/2nd home resid. (*)	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	25%	25%	40%	40%
Assessed Value (property value to be taxed)	\$25,000	\$250,000	\$40,000	\$400,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$25,000	\$250,000	\$40,000	\$400,000
Property Taxes (b)				
Tax Rates (tax liability in dollars per \$100 in assessed value)				
State	0.00000	0.00000	0.00000	0.00000
County	2.69000	2.69000	2.69000	2.69000
School Operations (c)	Included in county taxes			
School Bonds (c)	Included in county taxes			
Municipality	2.81000	2.81000	2.81000	2.81000
Total	5.50000	5.50000	5.50000	5.50000
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School Operations (c)	-	-	-	-
School Bonds (c)	-	-	-	-
Municipality	-	-	-	-
Other	-	-	-	-
Estimated Taxes Owed (a,c,d)				
State	\$0	\$0	\$0	\$0
County	\$673	\$6,725	\$1,076	\$10,760
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$703	\$7,025	\$1,124	\$11,240
Total	\$1,375	\$13,750	\$2,200	\$22,000
Addl. taxes paid by rental property			\$825	\$8,250

(*) MUST be single residential unit per property location to receive 25% assessment.

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from TN Comptroller or county websites.

(c) TN county school districts have no taxing authority. Some city and special school districts may levy taxes.

(d) Excludes additional millage for other taxing districts.

Appendix: State Property Tax Comparisons

Owner-occupied and rental residential property

Tennessee 2008

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NOTE: TN provides tax relief for homeowners who are disabled, veterans, or elderly and meet income requirements.

	Sevier County, TN (Sevierville City)			
	Owner-occupied residential		Rental/2nd home resid. (*)	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	25%	25%	40%	40%
Assessed Value (property value to be taxed)	\$25,000	\$250,000	\$40,000	\$400,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$25,000	\$250,000	\$40,000	\$400,000
Property Taxes (b)				
Tax Rates (tax liability in dollars per \$100 in assessed value)				
State	0.00000	0.00000	0.00000	0.00000
County	1.54000	1.54000	1.54000	1.54000
School Operations (c)	Included in county taxes			
School Bonds (c)	Included in county taxes			
Municipality	0.31000	0.31000	0.31000	0.31000
Total	1.85000	1.85000	1.85000	1.85000
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School Operations (c)	-	-	-	-
School Bonds (c)	-	-	-	-
Municipality	-	-	-	-
Other	-	-	-	-
Estimated Taxes Owed (a,c,d)				
State	\$0	\$0	\$0	\$0
County	\$385	\$3,850	\$616	\$6,160
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$78	\$775	\$124	\$1,240
Total	\$463	\$4,625	\$740	\$7,400
Addl. taxes paid by rental property			\$278	\$2,775

(*) MUST be single residential unit per property location to receive 25% assessment.

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from TN Comptroller or county websites.

(c) TN county school districts have no taxing authority. Some city and special school districts may levy taxes.

(d) Excludes additional millage for other taxing districts.

Appendix: State Property Tax Comparisons

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Owner-occupied and rental residential property Virginia 2008

NOTE: VA provides tax relief for homeowners who are disabled or elderly and meet income requirements.

	Montgomery County, VA (Blacksburg Town)			
	Owner-occupied residential		Rental/2nd home residential	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	100%	100%	100%	100%
Assessed Value (property value to be taxed)	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Property Taxes (b)				
Tax Rates (tax liability in dollars per \$100 in assessed value)				
State	0.00000	0.00000	0.00000	0.00000
County	0.71000	0.71000	0.71000	0.71000
School Operations (c)	Included in county or city taxes			
School Bonds (c)	Included in county or city taxes			
Municipality	0.22000	0.22000	0.22000	0.22000
Total	0.93000	0.93000	0.93000	0.93000
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School Operations (c)	-	-	-	-
School Bonds (c)	-	-	-	-
Municipality	-	-	-	-
Other	-	-	-	-
Estimated Taxes Owed (a,c,d)				
State	\$0	\$0	\$0	\$0
County	\$710	\$7,100	\$710	\$7,100
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$220	\$2,200	\$220	\$2,200
Total	\$930	\$9,300	\$930	\$9,300
Addl. taxes paid by rental property			\$0	\$0

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from VA Dept. of Taxation or county websites.

(c) VA county school districts have no taxing authority.

(d) Excludes additional millage for other taxing districts.

Appendix: State Property Tax Comparisons

Owner-occupied and rental residential property

Virginia 2008

NOTE: VA provides tax relief for homeowners who are disabled or elderly and meet income requirements.

	Roanoke County, VA (Roanoke City)			
	Owner-occupied residential		Rental/2nd home residential	
Market or Appraised Value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Assessed Property Value (APV)				
Assessment Ratio (% of fair market value to be taxed)	100%	100%	100%	100%
Assessed Value (property value to be taxed)	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Additional homeowner assessment exemptions (a)	-	-	-	-
Adjusted assessed value	\$100,000	\$1,000,000	\$100,000	\$1,000,000
Property Taxes (b)				
Tax Rates (tax liability in dollars per \$100 in assessed value)				
State	0.00000	0.00000	0.00000	0.00000
County	1.09000	1.09000	1.09000	1.09000
School Operations (c)	Included in county or city taxes			
School Bonds (c)	Included in county or city taxes			
Municipality	1.19000	1.19000	1.19000	1.19000
Total	2.28000	2.28000	2.28000	2.28000
Unrestricted Tax Exemptions/Credits (a)				
State	-	-	-	-
County	-	-	-	-
School Operations (c)	-	-	-	-
School Bonds (c)	-	-	-	-
Municipality	-	-	-	-
Other	-	-	-	-
Estimated Taxes Owed (a,c,d)				
State	\$0	\$0	\$0	\$0
County	\$1,090	\$10,900	\$1,090	\$10,900
School Operations (c)	\$0	\$0	\$0	\$0
School Bonds (c)	\$0	\$0	\$0	\$0
Municipality	\$1,190	\$11,900	\$1,190	\$11,900
Total	\$2,280	\$22,800	\$2,280	\$22,800
Addl. taxes paid by rental property			\$0	\$0

(a) Excludes additional exemptions for elderly, veteran, disabled, or low income homeowners.

(b) Tax rates & regulations from VA Dept. of Taxation or county websites.

(c) VA county school districts have no taxing authority.

(d) Excludes additional millage for other taxing districts.

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