

Speaking up for ACT 388

I am here to speak in support of ACT 388 and why it is good for the State and Taxpayers.

Act 388 is doing what it was intended to do, save the property owners from being taxed out of their homes and stop the schools and local governments from runaway and out of control spending.

The Act has saved **all** property owners from runaway tax increases. This includes taxes on Owner Occupied, Private and Corporate Agricultural, Commercial/Rental, Personal Property (Vehicles), Other Personal Property County, Manufacturing, Utility, Business Personal, Motor Carrier and Fee-in-Lieu, and the Joint Industrial Park. Per Section 12-37-30 (S.C. Code of Laws), if local governments want to increase taxes on one, they must raise the millage on all types of property. The Act also puts a cap on the amount that the local governments can increase spending, which is CPI plus growth. This keeps millage rates down to control tax increases on all properties. Local governments were increasing spending more than 10% a year. WE THE PEOPLE of Lexington County fought and got the homestead exemption increased to \$50,000, and tax relief on the first \$100,000 of property value. Property taxes were cut in half, but out of control, tax and spend local governments had it back to where the property tax cuts started five years prior, because there was **NO CAP** to protect us.

Act 388 is a property tax swap. A one cent sales tax increase for school operations is about 50% of the owner occupied tax bill. This affects about 7 % of total school funding swapped with the sales tax increase. The school districts are crying that ACT 388 is cutting school funding. The State and Federal governments have cut school funding. The funding has not been cut because of South Carolina **Act 388**. "Less revenues" were collected due to a "Bad economy". The **school establishment** of South Carolina needs to **live on a fixed budget** like the rest of us! Homeowner's will not accept more taxes on their backs in these bad economic times. The cap is the only thing that is saving South Carolina homeowners from being taxed out of their homes. Other State's property taxes are increasing due to revenue cuts. Their Legislators have no compassion for their taxpayers and of their financial troubles. Some places are paying over one thousand dollars a month in property taxes. They do not have Act 388 to protect them.

The fact is, South Carolina Legislators saved the homeowners from being taxed out of their homes. School districts and local governments will not control there never ending tax and spend increases. They are now limited because of ACT 388. Other States like New York spend more per student (over \$17,000 per student, the highest in the Nation) and their students barely make the National average grades. The education system will have to begin to live in the same declining economic times as the rest of us. Gentlemen; home foreclosures in South Carolina have caused great economic pain for the last two years. Imagine how much greater and quicker the financial disaster would be on homeowner's and this entire State if Act 388 had not passed.

Submitted by David R. Whetsell

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