

REPORT OF THE PROPERTY TAX SUBCOMMITTEE

(G.R. Smith, Herbkersman, Finlay, Weeks, and Hewitt - Staff Contact: Meredith Ross)

HOUSE BILL 4064

H. 4064 -- Reps. G.M. Smith and Sandifer: A BILL TO AMEND SECTION 12-37-220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO CLARIFY THAT MANUFACTURING PROPERTY OWNED OR LEASED BY A PUBLIC UTILITY REGULATED BY THE PUBLIC SERVICE COMMISSION DOES NOT QUALIFY FOR A 14.2857 PERCENT EXEMPTION.

Received by Ways and Means: March 11, 2021.

Summary of Bill: This bill seeks to clarify that the property tax exemption put in place for manufacturing property in Act 40 of 2017 (Roads Bill) is exclusively for the property of manufacturers and not for utility property even if that property is used for manufacturing. It specifies that a utility is defined in Section 58-3-5 and regulated by the Public Service Commission.

Estimated Revenue Impact: Pending.

Other Notes/Comments: Amended in subcommittee to provide that if a utility has received any refund or credit under this statute, they will use that money for relief to their ratepayers.

Subcommittee Recommendation Favorable as amended on 3/17.

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

GOOD/DOWNEY
MARCH 17, 2021

CLERK OF THE HOUSE

THE PROPERTY TAX SUBCOMMITTEE PROPOSES THE
FOLLOWING AMENDMENT No. TO H. 4064
(USERS\MEREDITHROSS\APPDATA\LOCAL\MICROS
OFT\WINDOWS\INETCACHE\CONTENT.OUTLOOK\G
MV8D8VU\4064C001.NBD.DG21):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING SECTION 1 AND INSERTING:**

**/ SECTION 1. SECTION 12-37-220(B)(52)(A)
OF THE 1976 CODE IS AMENDED TO READ:**

**“(A)(I) 14.2857 PERCENT OF THE PROPERTY
TAX VALUE OF MANUFACTURING PROPERTY
ASSESSED FOR PROPERTY TAX PURPOSES**

PURSUANT TO SECTION 12-43-220(A)(1). THE EXEMPTION ALLOWED BY THIS ITEM DOES NOT APPLY TO PROPERTY OWNED OR LEASED BY A PUBLIC UTILITY, AS DEFINED IN SECTION 58-3-5, THAT IS REGULATED BY THE PUBLIC SERVICE COMMISSION, REGARDLESS OF WHETHER THE PROPERTY IS USED FOR MANUFACTURING. FOR PURPOSES OF THIS ITEM, IF THE EXEMPTION IS APPLIED TO REAL PROPERTY, THEN IT MUST BE APPLIED TO THE PROPERTY TAX VALUE AS IT MAY BE ADJUSTED DOWNWARD TO REFLECT THE LIMIT IMPOSED PURSUANT TO SECTION 6, ARTICLE X OF THE SOUTH CAROLINA CONSTITUTION, 1895;

(II) TO THE EXTENT ANY SUCH MONIES ARE REFUNDED OR OTHERWISE CREDITED UNDER THIS ITEM TO A PUBLIC UTILITY THAT IS REGULATED BY THE PUBLIC SERVICE COMMISSION, REGARDLESS OF WHETHER THE PROPERTY IS USED FOR MANUFACTURING, ANY SUCH REFUND OR CREDITS MUST BE FLOWED THROUGH TO CUSTOMERS AS A REDUCTION IN RATES, AS APPROPRIATE.” /

RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.

South Carolina General Assembly
124th Session, 2021-2022

H. 4064

STATUS INFORMATION

General Bill

Sponsors: Reps. G.M. Smith and Sandifer

Document Path: I:\council\bill\nbd\11209dg21.docx

Introduced in the House on March 11, 2021

Currently residing in the House Committee on **Ways and Means**

Summary: Manufacturing exemption exclusion

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
3/11/2021	House	Introduced and read first time (House Journal-page 12)
3/11/2021	House	Referred to Committee on Ways and Means (House Journal-page 12)

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VERSIONS OF THIS BILL

[3/11/2021](#)

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A BILL

TO AMEND SECTION 12-37-220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO CLARIFY THAT MANUFACTURING PROPERTY OWNED OR LEASED BY A PUBLIC UTILITY REGULATED BY THE PUBLIC SERVICE COMMISSION DOES NOT QUALIFY FOR A 14.2857 PERCENT EXEMPTION.

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

SECTION 1. Section 12-37-220(B)(52)(a) of the 1976 Code is amended to read:

“(a) 14.2857 percent of the property tax value of manufacturing property assessed for property tax purposes pursuant to Section 12-43-220(a)(1). The exemption allowed by this item does not apply to property owned or leased by a public utility, as defined in Section 58-3-5, that is regulated by the Public Service Commission, regardless of whether the property is used for manufacturing. For purposes of this item, if the exemption is applied to real property, then it must be applied to the property tax value as it may be adjusted downward to reflect the limit imposed pursuant to Section 6, Article X of the South Carolina Constitution, 1895;”

SECTION 2. This act takes effect upon approval by the Governor and first applies to property tax years beginning after 2020.

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