**South Carolina General Assembly**

119th Session, 2011-2012

**H. 4676**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Lowe, Brantley, Erickson, Spires, Brannon, Southard, Neilson, Bales, Anderson, Battle, Bowers, G.A. Brown, Crawford, Delleney, Gambrell, Herbkersman, Hixon, D.C. Moss, Pope, Sandifer, Simrill, J.R. Smith and Whitmire

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Introduced in the House on January 25, 2012

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

Summary: Commercial property tax

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/25/2012 House Introduced and read first time ([House Journal‑page 10](file:///h:\hj%20archive\2012\01-25-12.docx))

1/25/2012 House Referred to Committee on **Ways and Means** ([House Journal‑page 10](file:///h:\hj%20archive\2012\01-25-12.docx))

**VERSIONS OF THIS BILL**

[1/25/2012](file:///p:\pprever\2011-12\4676_20120125.docx)

**A** **BILL**

TO AMEND SECTION 12‑43‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CLASSIFICATION OF PROPERTY AND THE APPLICABLE ASSESSMENT RATIOS FOR PURPOSES OF IMPOSITION OF PROPERTY TAX, SO AS TO REDUCE THE ASSESSMENT RATIO ON COMMERCIAL AND OTHER APPLICABLE REAL PROPERTY FROM SIX PERCENT OF VALUE TO FIVE PERCENT OF VALUE, PHASE IN THIS REDUCTION OVER TWO PROPERTY TAX YEARS, AND REIMBURSE POLITICAL SUBDIVISIONS AND SCHOOL DISTRICTS FOR PROPERTY TAX NOT COLLECTED BECAUSE OF THIS REDUCTION; AND TO AMEND SECTION 11‑11‑150, RELATING TO THE TRUST FUND FOR TAX RELIEF, SO AS TO INCLUDE REVENUES TO MAKE THE REIMBURSEMENTS REQUIRED FOR THE ASSESSMENT RATIO REDUCTION PROVIDED IN THIS ACT.

Whereas, Section 1(5), Article X of the Constitution of this State establishes a property tax classification for all real property not otherwise included in a different class and provides for the assessment of that property at six percent of its fair market value; and

Whereas, Section 2(d), Article X of the Constitution of this State allows the General Assembly, by at least a two‑thirds vote in each house, to change the assessment ratio applicable to each constitutionally provided class of property. Now, therefore,

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

SECTION 1. Section 12‑43‑220(e) of the 1976 Code is amended to read:

“(e)(1) All other real property not ~~herein~~ otherwise provided for ~~shall~~ in this section must be taxed on an assessment equal to ~~six percent~~ the following percentages of the fair market value of ~~such~~ the property:

property tax years ending before 2012 6 percent

property tax year 2012 5.5 percent

property tax years beginning after 2012 5 percent.

(2)(A) Political subdivisions and school districts must be reimbursed dollar for dollar from the Trust Fund for Tax Relief for property tax not collected by them for property tax year 2012 as a result of the reduction of the assessment ratio from six to five and one half percent as provided in subitem (1). For property tax year 2013 and thereafter, these jurisdictions shall receive a reimbursement for property tax not collected equal to twice the reimbursement they received for property tax year 2012.

There is credited annually to the Trust Fund for Tax Relief as provided in Section 11‑11‑150 whatever amount is necessary to reimburse fully all political subdivisions and school districts pursuant to this subitem. The Comptroller General shall pay the reimbursements in four equal installments in the manner that the Comptroller considers appropriate.

(B) Notwithstanding any other provisions of law, in computing after property tax year 2011 assessed valuation for purposes of bonded indebtedness pursuant to Section 14 and 15, Article X of the Constitution of this State and for purposes of computing the index of tax paying ability pursuant to Section 59‑20‑20(3), there must be added one‑sixth of the assessed value of property classified pursuant to this item for property tax year 2012 assuming that the assessment ratio imposed pursuant to this item for property tax year 2012 is six percent.”

SECTION 2. Section 11‑11‑150(A) of the 1976 Code is amended to read:

“(A) In calculating estimated state individual and corporate income tax revenues for a fiscal year the Board of Economic Advisors shall deduct amounts sufficient to pay the reimbursement required pursuant to:

(1) Reserved;

(2) Section 12‑37‑270 for the homestead exemption for persons over age sixty‑five or disabled, but not including the portion attributable to school operating millage;

(3) Section 12‑37‑935(B) for manufacturer’s additional depreciation;

(4) Section 12‑37‑450 for the inventory tax exemption; ~~and~~

(5) Section 4‑10‑540(A) for the reimbursement provided for personal property taxes not collected on private passenger motor vehicles, motorcycles, general aviation aircraft, boats, and boat motors; and

(6) Section 12‑43‑220(e)(2) for the assessment ratio reduction from six to five percent for property classified for property tax purposes pursuant to that section.”

SECTION 3. This act takes effect upon approval by the Governor.

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