**South Carolina General Assembly**

119th Session, 2011-2012

**H. 4795**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. R.L. Brown, G.A. Brown and Bowers

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Introduced in the House on February 22, 2012

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

Summary: Property tax exemptions

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/22/2012 House Introduced and read first time ([House Journal‑page 11](file:///h:\hj%20archive\2012\02-22-12.docx))

2/22/2012 House Referred to Committee on **Ways and Means** ([House Journal‑page 11](file:///h:\hj%20archive\2012\02-22-12.docx))

**VERSIONS OF THIS BILL**

[2/22/2012](file:///p:\pprever\2011-12\4795_20120222.docx)

**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 ALLOW AN EXEMPTION EQUAL TO ONE‑THIRD OF THE FAIR MARKET VALUE OF REAL PROPERTY AND A SECOND HOME LOCATED THEREON IF INTEREST ON ACQUISITION INDEBTEDNESS ON THE RESIDENCE IS DEDUCTIBLE FOR FEDERAL INCOME TAX PURPOSES AS INTEREST ON A SECOND HOME, TO PROVIDE THAT NO EXEMPTION IS ALLOWED IF THE RESIDENCE IS A VACATION TIME SHARE ARRANGEMENT, AND TO PROVIDE THE METHOD OF CLAIMING THE EXEMPTION.

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

SECTION 1. Section 12‑37‑220(B) of the 1976 Code, as last amended by Act 279 of 2010, is further amended by adding an appropriately numbered item at the end to read:

“( )(a) One third of the fair market value of a second home classified for property tax purposes pursuant to Section 12‑43‑220(e) if every owner is eligible to deduct interest on any acquisition indebtedness on the second home, either directly, or as a pass through expense, as a personal expense on the owners individual or fiduciary federal income tax return.

(b) The exemption allowed by this item must be claimed on a form submitted annually to the county auditor before the first penalty date for the payment of property taxes on the property which is the subject of the application. The form must be prescribed by the Department of Revenue and in addition to other identifying information must contain an affidavit signed by the owner or the owner’s agent under penalty of perjury that the applicant meets all requirements for the exemption.

(c) For purposes of this section:

(i) ‘Owner’ means:

(A) an individual, estate, or trust, or any combination of these directly owning a second home; and

(B) an entity holding title to a second home the entire ownership interest of which is held on a pass through basis by an individual, estate, or trust, or any combination of these.

(ii) ‘Second home’ means a residence described in Internal Revenue Code Section 163(h)(4)(A)(i)(II) determined without regard to any limit on aggregate acquisition indebtedness, but includes only a second home situated on and attached to real property and which is not regulated pursuant to Chapter 32, Title 27, relating to vacation time sharing plans.”

SECTION 2. This act takes effect upon approval by the Governor and applies for property tax years beginning after 2011.

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