~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 27, 2013

**S. 303**

Introduced by Senator Campsen

S. Printed 2/27/13--S.

Read the first time January 29, 2013.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 303) to amend Section 12‑37‑220, as amended, Code of Laws of South Carolina, 1976, relating to property tax exemptions, so as to include certain trusts, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, SECTION 1, page 2, by striking line 28 and inserting:

/ collection.

(d) To qualify for the exemption allowed by this item, a trust must be a trust that is established solely for the benefit of a religious organization.” /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**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 INCLUDE CERTAIN TRUSTS IN EXEMPTING PROPERTY USED FOR THE HOLDING OF ITS MEETINGS WHEN NO PROFIT OR BENEFIT INURES TO THE BENEFIT OF ANY STOCKHOLDER OR INDIVIDUAL; AND TO AMEND SECTION 12‑24‑40, AS AMENDED, RELATING TO EXEMPTIONS FROM DEED RECORDING FEES, SO AS TO EXEMPT TRANSFERS FROM A TRUST ESTABLISHED FOR THE BENEFIT OF A RELIGIOUS ORGANIZATION TO THE RELIGIOUS ORGANIZATION.

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

SECTION 1. Section 12‑37‑220(B)(16) of the 1976 Code, as last amended by Act 352 of 2008, is further amended to read:

“(16)(a) The property of any religious, charitable, eleemosynary, educational, or literary society, corporation, trust, or other association, when the property is used by it primarily for the holding of its meetings and the conduct of the business of the society, corporation, trust, or association and no profit or benefit therefrom inures to the benefit of any private stockholder or individual.

(b) The property of any religious, charitable, or eleemosynary society, corporation, trust, or other association when the property is acquired for the purpose of building or renovating residential structures on it for not‑for‑profit sale to economically disadvantaged persons. The total properties for which the religious, charitable, or eleemosynary society, corporation, trust, or other association may claim this exemption in accordance with this paragraph may not exceed fifty acres per county within the State.

(c) The exemption allowed pursuant to subitem (a) of this item extends to real property owned by an organization described in subitem (a) and which qualifies as a tax exempt organization pursuant to Internal Revenue Code Section 501(c)(3), when the real property is held for a future use by the organization that would qualify for the exemption allowed pursuant to subitem (a) of this item or held for investment by the organization in sole pursuit of the organization’s exempt purposes and while held this real property is not rented or leased for a purpose unrelated to the exempt purposes of the organization and the use of the real property does not inure to the benefit of any private stockholder or individual. Real property donated to the organization which receives the exemption allowed pursuant to this subitem is allowed the exemption for no more than three consecutive property tax years. If real property acquired by the organization by purchase receives the exemption allowed pursuant to this subitem and is subsequently sold without ever having been put to the exempt use, the exemption allowed pursuant to this subitem is deemed terminated as of December thirty‑first preceding the year of sale and the property is subject to property tax for the year of sale to which must be added a recapture amount equal to the property tax that would have been due on the real property for not more than the four preceding years in which the real property received the exemption allowed pursuant to this subitem. The recapture amount is deemed property tax for all purposes for payment and collection.”

SECTION 2. Section 12‑24‑40(8) of the 1976 Code is amended to read:

“(8) transferring realty to a corporation, a partnership, or a trust as a stockholder, partner, or trust beneficiary of the entity or so as to become a stockholder, partner, or trust beneficiary of the entity as long as no consideration is paid for the transfer other than stock in the corporation, interest in the partnership, beneficiary interest in the trust, or the increase in value in the stock or interest held by the grantor. However, except for transfers from one family trust to another family trust without consideration~~,~~ or transfers from a trust established for the benefit of a religious organization to the religious organization, the transfer of realty from a corporation, a partnership, or a trust to a stockholder, partner, or trust beneficiary of the entity is subject to the fee, even if the realty is transferred to another corporation, a partnership, or trust;”

SECTION 3. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2012.

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