**A** **BILL**

TO AMEND SECTION 12‑43‑220 OF THE 1976 CODE, RELATING TO THE CLASSIFICATION OF PROPERTY AND THE APPLICABLE ASSESSMENT RATIOS FOR PURPOSES OF IMPOSITION OF PROPERTY TAX, TO REDUCE THE ASSESSMENT RATIO ON MANUFACTURING, UTILITY, AND MINING REAL AND PERSONAL PROPERTY FROM TEN AND ONE‑HALF PERCENT OF VALUE TO SIX PERCENT OF VALUE AND TO DELETE PROVISIONS MADE OBSOLETE BY THIS REDUCTION.

Whereas, Section 1(1), Article X of the Constitution of this State establishes a property tax classification for all real and personal property of manufacturing, utility, and mining property and provides for the assessment of that property at ten and one half 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(a) of the 1976 Code is amended to read:

“(a)~~(1)~~ All real and personal property owned by or leased to manufacturers, mining operations, and utilities, and used by the manufacturer, mining operation, or utility in the conduct of the business must be taxed on an assessment equal to ~~ten and one‑half~~ six percent of the fair market value of the property.

~~(2)~~ ~~Real property owned by or leased to a manufacturer and used primarily for research and development is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to this item (a). The term ‘research and development’ means basic and applied research in the sciences and engineering and the design and development of prototypes and processes.~~

~~(3)~~ ~~Real property owned by or leased to a manufacturer and used primarily as an office building is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to this item (a) if the office building is not located on the premises of or contiguous to the plant site of the manufacturer.~~

~~(4)~~ ~~Real property owned by or leased to a manufacturer and used primarily for warehousing and wholesale distribution is not considered used by a manufacturer in the conduct of the business of the manufacturer for purposes of classification of property pursuant to subsection (a). For purposes of this item, the real property owned by or leased to a manufacturer and used primarily for warehousing and wholesale distribution must not be physically attached to the manufacturing plant unless the warehousing and wholesale distribution area is separated by a permanent wall.~~”

SECTION 2. This act takes effect upon approval by the Governor and applies for property tax years beginning after 2014.

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