



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3596	Amended by the House of Representatives on April 9, 2019
Author:	Long	
Subject:	Ad Valorem Tax	
Requestor:	Senate Finance	
RFA Analyst(s):	Miller	
Impact Date:	June 11, 2019	

Fiscal Impact Summary

This bill as amended will reduce local property tax revenue by approximately \$6,397,103 statewide, beginning in FY 2020-21 for tax year 2020 because counties will be collecting roll-back taxes for the previous three years.

Explanation of Fiscal Impact

Amended by the House of Representatives on April 9, 2019

State Expenditure

This amended bill modifies the calculation in §12-43-220 for the roll-back tax due on a parcel of real property changed from agricultural to commercial or residential use. The modification will allow for the collection of the difference between the taxes paid or payable on the basis of the valuation and assessment of the property as an agricultural property and the taxes payable on the property as a commercial or residential property for up to the previous three years. This bill will apply for agricultural property changed to another use after 2019. Current law allows for the collection of this difference for the previous five years.

Roll-back taxes vary greatly from county-to-county and year over year. However, we estimate that roll-back taxes statewide total approximately \$15,662,757 per year. This approximation is based upon the information provided by county assessors and calculated using county roll-back tax data from 2014 to 2018 from various counties across the state. This bill will cut the roll-back tax by 40 percent, as the roll-back will be changed from five tax years to three tax years, resulting in a loss of local tax revenue of \$6,397,103 annually statewide beginning with tax year 2020. The reduction in local property tax revenue by county will depend on the amount of roll-back taxes collected in that particular county.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 15, 2019

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill modifies the calculation in §12-43-220 for the roll-back tax due on a parcel of real property changed from agricultural to commercial or residential use to allow for the collection of the difference between the taxes paid or payable on the basis of the valuation and the assessment property as an agricultural property and the taxes payable on the property as a commercial or residential property over the last tax year. This bill will apply for agricultural property changed to another use after 2018. Current law allows for the collection of this difference for the previous five years.

Roll-back taxes vary greatly from county-to-county and year over year. However, we estimate that roll-back taxes statewide total approximately \$15,662,757 per year. This approximation is based upon the information provided by county assessors and calculated using county roll-back tax data from 2014 to 2018 from various counties across the state. This bill will cut the roll-back tax by 80 percent, as the roll-back will be changed from five tax years to one tax year, resulting in a loss of local tax revenue of \$12,530,205 annually statewide beginning with tax year 2019. The reduction in local property tax revenue by county will depend on the amount of roll-back taxes collected in that particular county.



Frank A. Rainwater, Executive Director