

Statement of Estimated Local Revenue Impact

Date: March 22, 2013

Bill Number: S. 511

Authors: Campsen

Committee Requesting Impact: Senate Finance

Bill Summary

A bill to amend Section 12-43-220, as amended, Code of Laws of South Carolina, 1976, relating to the four percent special assessment ratio, so as to provide that an eligibility provision requiring a certain ownership percentage does not apply if the property is held by a trust, family limited partnership, or limited liability company under certain situations.

REVENUE IMPACT ^{1/}

This bill as amended is not expected to impact State revenues. The impact on local property tax revenue is expected to be minimal.

Explanation of the Bill

This bill allows for property held by immediate family members in an irrevocable trust, limited partnership, limited liability company, or any combination thereof to qualify for the special assessment ratio for owner occupied property. The bill requires that the applicant must otherwise qualify for the four percent assessment ratio and no member of the applicant's household may claim the four percent assessment ratio on another residence. Currently, if a claimant owns less than 50% of a property, he/she may only claim the four percent assessment ratio on the portion of the property owned. This would exempt properties held by immediate family members in a trust, partnership, and/or limited liability company from the percentage reduction. Based upon discussions with county assessors, we expect very few properties to be impacted by this change due to the limited scope and the requirements included. The impact on local property tax revenue is expected to be minimal.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.