

## Session 116 - (2005-2006)

**S 0484 General Bill, By Sheheen, Short, Martin, Ford and Campsen**

***Similar (S 0485, H 3693, H 3714)***

**Summary:** School Equity and Property Tax Relief Act

A BILL TO ENACT THE SCHOOL EQUITY AND PROPERTY TAX RELIEF ACT BY AMENDING THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 11 TO CHAPTER 36, TITLE 12, SO AS TO IMPOSE AN ADDITIONAL STATE SALES, USE, AND CASUAL EXCISE TAX EQUAL TO ONE PERCENT OF GROSS PROCEEDS OF SALES OR SALES PRICE, AND TO PROVIDE THAT THIS ADDITIONAL ONE PERCENT TAX DOES NOT APPLY ON ACCOMMODATIONS FOR TRANSIENTS; BY AMENDING SECTION 11-11-150, AS AMENDED, RELATING TO THE TRUST FUND FOR TAX RELIEF, SO AS TO PROVIDE THAT REVENUES FROM THE TRUST FUND REIMBURSING SCHOOL DISTRICTS FOR THE RESIDENTIAL PROPERTY TAX EXEMPTION TO A SCHOOL DISTRICT MUST BE PAID MONTHLY IN AN AMOUNT THAT IS THE DISTRICT'S PROPORTIONATE SHARE OF THE REIMBURSEMENT BASED ON THE DISTRICT'S WEIGHTED PUPIL UNITS AS A PERCENTAGE OF STATEWIDE WEIGHTED PUPIL UNITS; BY ADDING SECTION 11-11-155 SO AS TO CREATE THE SCHOOL MILLAGE TAX EXEMPTION TRUST FUND (THE SCHOOL TRUST FUND) AND REQUIRE REVENUES OF THE ADDITIONAL SALES AND USE TAX, PROPERTY TAX, AND ADDITIONAL REVENUE GENERATED BY ELIMINATING OR REVISING SALES TAX EXEMPTIONS AND CAPS TO BE CREDITED TO THIS FUND; BY ADDING SECTION 12-37-130 SO AS TO IMPOSE A STATEWIDE PROPERTY TAX AT THE RATE OF ONE HUNDRED MILLS WITH A CREDIT AGAINST THIS TAX IN A SCHOOL DISTRICT IN WHICH FEWER THAN ONE HUNDRED MILLS WERE IMPOSED FOR SCHOOL OPERATIONS FOR FISCAL YEAR 2004-2005; BY AMENDING SECTION 12-24-10, RELATING TO THE DEED RECORDING FEE, SO AS TO INCREASE THIS FEE BY ONE DOLLAR AND FIFTEEN CENTS ON EACH FIVE HUNDRED DOLLARS OF THE REALTY'S VALUE; BY ADDING SECTION 12-6-1145 SO AS TO PROVIDE THAT A DEDUCTION IS ALLOWED FROM SOUTH CAROLINA TAXABLE INCOME FOR CASH CONTRIBUTIONS FOR ANY EDUCATIONAL PURPOSE MADE TO A PUBLIC SCHOOL OR TO A SCHOOL DISTRICT OF THE STATE, OR MADE TO THE SCHOOL TRUST FUND; BY AMENDING SECTIONS 12-36-60 AND 12-36-90, BOTH AS AMENDED, RELATING TO THE DEFINITIONS OF "TANGIBLE PERSONAL PROPERTY" AND "GROSS PROCEEDS OF SALES" FOR PURPOSES OF THE IMPOSITION OF THE SALES AND USE TAX AND EXEMPTIONS FROM THE SALES TAX, SO AS TO PROVIDE THAT THE SALE OF SOUTH CAROLINA EDUCATION LOTTERY TICKETS IS A SALE OF TANGIBLE PERSONAL PROPERTY GIVING RISE TO GROSS PROCEEDS OF SALES IN THE AMOUNT OF THE TICKET PRICE AND IS SUBJECT TO THE SALES TAX; BY AMENDING SECTION 12-36-910, AS AMENDED, RELATING TO THE IMPOSITION OF THE SALES TAX, SO AS TO PROVIDE A SEPARATE STATE SALES AND USE TAX AT THE RATE OF ONE PERCENT ON UNPREPARED FOOD WHICH CAN BE PURCHASED WITH UNITED STATES DEPARTMENT OF AGRICULTURE FOOD COUPONS; BY AMENDING SECTION 12-36-2110, AS AMENDED, RELATING TO THE MAXIMUM SALES, USE, AND CASUAL EXCISE TAX ON VARIOUS ITEMS OF TANGIBLE PERSONAL PROPERTY, INCLUDING MOTOR VEHICLES, SO AS TO RAISE THE MAXIMUM TAX; BY AMENDING SECTION 12-36-2120, AS AMENDED, RELATING TO SALES TAX EXEMPTIONS, SO AS TO DELETE CERTAIN EXEMPTIONS; BY ADDING SECTION 12-37-253 SO AS TO PROVIDE FOR A PROPERTY TAX EXEMPTION FOR ALL PROPERTY FROM SCHOOL OPERATING MILLAGE NOT OTHERWISE EXEMPT, PROVIDE THE METHOD OF DETERMINING AND PHASING IN THE EXEMPTION, AND TO PROVIDE REIMBURSEMENTS TO SCHOOL DISTRICTS FOR THIS NEW EXEMPTION WITH A PAYMENT BASED ON WEIGHTED PUPIL UNITS; BY AMENDING SECTION 59-20-40, AS AMENDED, RELATING TO THE EDUCATION FINANCE ACT, SO AS TO REVISE WEIGHTINGS USED TO PROVIDE RELATIVE COST DIFFERENCES; BY ADDING SECTION 59-20-42 SO AS TO PROVIDE THAT BEGINNING WITH FISCAL YEAR 2005-2006 EDUCATION FINANCE ACT APPROPRIATIONS MUST BE DISTRIBUTED TO A SCHOOL DISTRICT IN AN AMOUNT THAT IS THE DISTRICT'S PROPORTIONATE SHARE OF SUCH FUNDS BASED ON THE DISTRICT'S WEIGHTED PUPIL UNITS AS A PERCENTAGE OF STATEWIDE WEIGHTED PUPIL UNITS AS DETERMINED ANNUALLY PURSUANT TO THE EDUCATION FINANCE ACT; TO REQUIRE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION TO ORDER RATE REDUCTIONS IN RATES CHARGED CUSTOMERS OF REGULATED PUBLIC UTILITIES SUFFICIENT TO REFLECT NET PROPERTY TAX REDUCTIONS TO UTILITIES PROVIDED PURSUANT TO THIS ACT, TO PROVIDE THAT FOR A PERIOD OF THREE YEARS BEGINNING JULY 1, 2005, AND ENDING JUNE 30, 2008, A LOCAL GOVERNING BODY UNDER PROVISIONS OF LAW AUTHORIZING THE ASSESSMENT OF TAXES AND FEES UNDER SPECIFIED CONDITIONS MAY INCREASE THE MILLAGE RATE IMPOSED FOR GENERAL OPERATING PURPOSES ABOVE THE RATE IMPOSED FOR SUCH PURPOSES FOR THE PRECEDING TAX YEAR ONLY BY A TWO-THIRDS VOTE OF THE MEMBERSHIP OF THE GOVERNING BODY, PRESENT OR NOT, RATHER THAN BY A POSITIVE MAJORITY VOTE; BY REPEALING ARTICLE 3, CHAPTER 10 OF TITLE 4, RELATING TO THE CAPITAL PROJECT SALES TAX ACT, AND

CHAPTER 37 OF TITLE 4 RELATING TO OPTIONAL METHODS FOR FINANCING TRANSPORTATION FACILITIES INCLUDING LEVY OF ADDITIONAL SALES TAXES, AND TO PROVIDE THAT SALES TAXES FOR PROJECTS PREVIOUSLY AUTHORIZED UNDER THESE PROVISIONS SHALL CONTINUE UNTIL THEIR SCHEDULED TERMINATION DATE; TO REQUIRE A REFERENDUM IN COUNTIES IN WHICH THE LOCAL OPTION SALES TAX IS CURRENTLY IMPOSED FOR THE PURPOSE OF DETERMINING WHETHER TO RESCIND THE TAX AND BY PROVIDING THAT THIS ACT TAKES EFFECT JULY 1, 2005, AND APPLIES FOR PROPERTY TAX YEARS BEGINNING AFTER 2004 AND MOTOR VEHICLE TAX YEARS BEGINNING AFTER JUNE 30, 2005.

**02/10/05 Senate Introduced and read first time SJ-12**  
**02/10/05 Senate Referred to Committee on Finance SJ-12**  
**03/14/05 Scrivener's error corrected**