**South Carolina General Assembly**

118th Session, 2009-2010

**H. 4482**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Bowers

Document Path: l:\council\bills\bbm\9526htc10.docx

Companion/Similar bill(s): 1034, 4336, 4585

Introduced in the House on February 2, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Taxation Realignment Commission

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/2/2010 House Introduced and read first time [HJ](file:///h:\HJ%20Archive\2010\02-02-10.docx)‑48

2/2/2010 House Referred to Committee on **Ways and Means** [HJ](file:///h:\HJ%20Archive\2010\02-02-10.docx)‑48

**VERSIONS OF THIS BILL**

[2/2/2010](file:///p:\pprever\2009-10\4482_20100202.docx)

**A** **BILL**

TO AMEND ACT 81 OF 2009, RELATING TO THE SOUTH CAROLINA TAXATION REALIGNMENT COMMISSION, SO AS TO EXTEND FROM MARCH 15, 2010, TO NOVEMBER 15, 2010, THE DATE BY WHICH THE PRINCIPAL REPORT AND RECOMMENDATIONS OF THE COMMISSION IS DUE TO BE COMPLETED AND DELIVERED, AND TO ALLOW THE COMMISSION TO CONSIDER IN ITS REVIEW OF LOCAL TAXES ALL NONHOMESTEAD PROPERTY TAX EXEMPTIONS FOR THE PURPOSE OF BROADENING THE PROPERTY TAX BASE AND ALLOWING OVERALL PROPERTY TAX RATES TO BE LOWER.

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

SECTION 1. Section 1(C) of Act 81 of 2009 is amended to read:

“(C) The duties of the commission shall be to:

(1) develop criteria for assessing the effectiveness of the current tax system structure, as well as the likely systemic impact of any proposed changes affecting tax revenues and report the criteria to the General Assembly within three months of the effective date of this act, provided that all such criteria must be designed with an emphasis on the systemic balance of the state’s revenue structure from the standpoint of adequacy, equity, and efficiency and with the goal of maintaining and enhancing the State as an optimum competitor in efforts to attract businesses and individuals to locate, live, work, and invest in the State; and

(2) no later than ~~March~~ November 15, 2010, prepare and deliver a report and recommendation to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, including the text of an amendment that effectuates the recommendations. The commission’s report must be a detailed, comprehensive, and careful evaluation of the state’s tax system structure. The commission’s report shall consider:

(a) sales and use tax exemptions or limitations to be retained, modified, or repealed;

(b) the assessment of state and local taxes levied and other provisions affecting state and local revenue to fund the operation and responsibilities of state and local government, respectively; and

(c) any fee, fine, license, forfeiture, or Other Funds.

After reviewing the adequacy, equity, and efficiency of the state’s revenue structure, the commission’s report may recommend that no changes are necessary if it determines that such findings are warranted. Following the report and recommendation required by subsection (C)(2), the commission shall continue studying the subjects identified in subsection (C)(2). The commission may make further legislative recommendations at any time. Also, the commission must submit a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on August first and February first of each year detailing the commission’s progress and points of focus.

For purposes of the scope of the commission’s study, local taxes are defined as local levies related to ad valorem taxation, including, but not limited to, assessment ratios, classification and valuation of property, assessable transfers of interest, valuation limitation, local millages, and fee in lieu of taxes agreements; however, local taxes do not include the exemption of owner‑occupied residential property as provided in Section 12‑37‑220(B)(47).

For further purposes of the commission’s study, the commission shall review all current property tax exemptions except homestead exemptions to determine how a broader‑based property tax would allow lower property tax rates on real and personal property currently subject to property tax.

The commission’s report may not recommend any action that would nullify any existing agreement entered into by a local government.

The commission must forward its recommendation to the Board of Economic Advisors that must prepare a revenue impact detailing the sources of revenue at the state and local level the commission recommends should be increased or decreased, the projected amount of increase or decrease to each source of revenue, and the net gain or loss of total revenue at both the state and local levels that would result from the recommendation. The report must be attached to any legislative recommendation made by the commission prior to it being submitted to any member of the General Assembly.”

SECTION 2. This act takes effect upon approval by the Governor.

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