**A** **BILL**

TO AMEND SECTION 12‑37‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM PROPERTY TAX, SO AS TO EXEMPT ALL PROPERTY DEVOTED TO HOUSING LOW INCOME RESIDENTS IF THE PROPERTY IS OWNED BY AN INSTRUMENTALITY OF A NONPROFIT HOUSING CORPORATION.

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

SECTION 1. Section 12‑37‑220(B)(11)(e) of the 1976 Code is amended to read:

“(e) all property of nonprofit housing corporations or ~~solely‑owned~~ instrumentalities of these corporations ~~which~~ when the property is devoted to providing housing to low or very low income residents. A nonprofit housing corporation or instrumentality must satisfy the safe harbor provisions of Revenue Procedure 96‑32 issued by the Internal Revenue Service ~~to qualify~~ for this exemption to apply. For purposes of this subitem, partnerships, limited liability companies, or other corporations are instrumentalities if the nonprofit housing corporation is the controlling partner, controlling member, or controlling shareholder of the instrumentality. For purposes of this subitem, ‘controlling’ means the nonprofit house corporation is the partner, member, or shareholder of the instrumentality permitted to exercise substantial and continuous control over the provision of the low or very income housing. If a partnership, limited liability company, or other corporation is not a partner, member, or shareholder with a nonprofit housing corporation, then this exemption does not apply;”

SECTION 2. This act takes effect upon approval by the Governor and applies to property tax years beginning after 2018.

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