



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3367	Introduced on January 14, 2025
Subject:	Roll Back Taxes	
Requestor:	House Ways and Means	
RFA Analyst(s):	Miller	
Impact Date:	March 12, 2025	

Fiscal Impact Summary

This bill changes the roll back tax for agricultural property that is applied to a use other than agriculture to apply to the current tax year and one year prior. Currently, the roll back taxes apply to the current tax year and three years prior. The Department of Revenue (DOR) anticipates being able to administer this change with existing staff and within existing appropriations.

Revenue and Fiscal Affairs (RFA) contacted all counties to determine the local impact of this bill. We received responses from the counties of Beaufort, Charleston, Cherokee, Chesterfield, Dillon, Dorchester, Florence, Horry, Jasper, Richland, and Sumter. No responding county indicated this bill will increase expenses. Therefore, we anticipate this bill will have no local expenditure impact.

Additionally, based on the responses received and our calculations, we estimate this bill will result in a property tax revenue reduction of approximately \$13,649,000 statewide beginning in tax year 2025. To the extent allowed within the millage rate increase limitations, we anticipate local governing entities will increase the millage rate to offset the property tax revenue reduction.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

This bill changes the roll back tax for agricultural property that is applied to a use other than agriculture to apply to the current tax year and one year prior. Currently, the roll back taxes apply to the current tax year and three years prior. DOR anticipates being able to administer this change with existing staff and within existing appropriations.

State Revenue

N/A

Local Expenditure

RFA contacted all counties to determine the local impact of this bill. We received responses from the counties of Beaufort, Charleston, Cherokee, Chesterfield, Dillon, Dorchester, Florence,

Horry, Jasper, Richland, and Sumter. No responding county indicated this bill will increase expenses. Therefore, we anticipate this bill will have no local expenditure impact.

Local Revenue

This bill changes the roll back tax for agricultural property that is applied to a use other than agriculture to apply to the current tax year and one year prior. Currently, the roll back taxes apply to the current tax year and three years prior.

RFA contacted all counties to determine the local property tax revenue impact of this bill. We received responses from the counties of Beaufort, Charleston, Cherokee, Chesterfield, Dillon, Dorchester, Florence, Horry, Jasper, Richland, and Sumter. Both Cherokee County and Chesterfield County anticipate this bill will result in a reduction of local property tax revenue. Also, Beaufort County and Horry County provided an estimated reduction of local property tax in tax year 2025 as follows:

Estimated Property Tax Revenue Reduction for Tax Year 2025

Beaufort	\$179,000
Horry	\$892,000

Additionally, we asked counties to provide an estimate of the local property tax loss if the roll back tax was limited to one year prior rather than three prior years for the three most recently completed tax years. The following table displays the responses received.

**Estimated Property Tax Revenue Loss by Tax Year - 1 Year Roll Back
Based on Historical Experience by Year**

County	2022	2023	2024
Charleston	\$991,823	\$858,799	\$643,892
Dillon	\$5,412	\$1,416	\$1,260
Dorchester	\$293,650	\$632,815	\$294,787
Florence	\$155,830	\$66,625	\$58,940
Jasper	\$141,808	\$73,076	\$334,233
Richland	\$468,725	\$862,704	\$535,881
Sumter	\$43,600	\$33,830	\$55,620

Source: County estimates provided to RFA

We prorated these estimates based on the counties’ percentages of assessed agricultural property relative to the statewide total assessed agricultural property to determine an estimated statewide total. Based on the responses received and these calculations, we estimate this bill will result is a property tax revenue reduction of approximately \$13,649,000 statewide beginning in tax year 2025. To the extent allowed within the millage rate increase limitations, we anticipate local governing entities will increase the millage rate to offset the property tax revenue reduction.

Frank A. Rainwater, Executive Director