



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3786 Introduced on February 16, 2017
Author: Long
Subject: Roll-Back Taxes
Requestor: House Ways and Means
RFA Analyst(s): Gable
Impact Date: March 8, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	(\$8,560,000)	\$0

Fiscal Impact Summary

This bill would reduce local property tax revenue by \$8,560,000 statewide beginning in FY 2017-18 for tax year 2017. This bill would have no impact to the General Fund, Other Funds, or Federal Funds.

Explanation of Fiscal Impact

Introduced on February 16, 2017

State Expenditure

N/A

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill modifies the calculation in §12-43-220 for the roll-back tax due on a parcel of real property changed from agricultural to commercial or residential use to allow for the collection of the difference between the taxes paid or payable on the basis of the valuation and the assessment property as an agricultural property and the taxes payable on the property as a commercial or residential property over the last tax year. This bill would apply for agricultural property changed to another use after tax year 2016. Current law allows for the collection of this difference for the past five years.

Roll-back taxes vary greatly from county-to-county and year over year. However, we estimate that roll-back taxes statewide total approximately \$10,700,000 per year. This approximation is based upon the information provided by county assessors and calculated using county roll back tax data from 2014 to 2016 from various counties across the state. This bill would cut the roll back tax by 80%, as the roll back would be changed from five tax years to one tax year, resulting in a loss of local tax revenue of \$8,560,000 annually statewide beginning with tax year 2017. The reduction in local property tax revenue by county will depend on the amount of roll back taxes collected in that particular county.



Frank A. Rainwater, Executive Director