



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3596 Introduced on January 15, 2019
Author: Long
Subject: Ad Valorem Tax
Requestor: House Ways and Means
RFA Analyst(s): Miller
Impact Date: March 25, 2019

Fiscal Impact Summary

This bill will reduce local property tax revenue by approximately \$12,530,205 statewide, beginning in FY 2019-20 for tax year 2019 because counties will be collecting roll-back taxes for only one year.

Explanation of Fiscal Impact

Introduced on January 15, 2019

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 will apply for agricultural property changed to another use after 2018. Current law allows for the collection of this difference for the previous 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 \$15,662,757 per year. This approximation is based upon the information provided by county assessors and calculated using county roll-back tax data from 2014 to 2018 from various counties across the state. This bill will cut the roll-back tax by 80 percent, as the roll-back will be changed from five tax years to one tax year, resulting in a loss of local tax revenue of \$12,530,205 annually statewide beginning with tax year 2019. The reduction in local property tax revenue by county will depend on the amount of roll-back taxes collected in that particular county.

A handwritten signature in blue ink, reading "Frank A. Rainwater".

Frank A. Rainwater, Executive Director