

Statement of Estimated Local Revenue Impact

Date: March 26, 2014

Bill Number: H.B. 4513

Author: McEachern

Committee Requesting Impact: House Ways and Means

Bill Summary

A bill to amend Section 12-37-2640, Code of Laws of South Carolina, 1976, relating to the assessed value of motor vehicles, so as to provide that the assessed value of a motor vehicle with a special farm vehicle license is fifty dollars if the vehicle is at least ten years old, instead of fifteen years old.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. We estimate that the bill will lower property tax revenues by \$952,675 in FY 2014-15.

Explanation

This bill would amend Section 12-37-2640 that currently sets the assessed value of a motor vehicle that is fifteen years old at \$50 by specifying that vehicles with a special farm vehicle license that are at least ten years old are valued at the \$50 assessment. Based upon information from the Department of Motor Vehicles, 31,371 vehicles have a farm vehicle license and 6,915 of those are between ten and fifteen years old and would be impacted by this change. The average vehicle age in the US is 11.4 years therefore we have used the average vehicle assessed value as an estimate for the value of the vehicles impacted by this change. The average assessed value of taxable vehicles is approximately \$496. Lowering this assessment to \$50 would reduce the total assessed value of the estimated 6,915 farm vehicles between 10 and 15 years of age by \$3,084,090. Based upon an estimated statewide millage rate of 308.9, we estimate that local property taxes for these farm vehicles will be lowered by \$952,675 in FY 2014-15.



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^{1/} This statement meets the requirement of Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.