

# Statement of Estimated Local Revenue Impact

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**Date:** May 12, 2014 (As amended March 26, 2014 by the Senate)

**Bill Number:** S. 940

**Authors:** Young, Massey, Setzler, and Peeler

**Committee Requesting Impact:** House Ways and Means Committee

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## Bill Summary

A bill to amend Section 4-10-470, Code of Laws of South Carolina, 1976, relating to the Education Capital Improvements Sales and Use tax, so as to allow a county that does not collect a certain amount in accommodations tax to impose the sales tax so long as no portion of the county area is subject to more than two percent total sales tax.

## REVENUE IMPACT <sup>1/</sup>

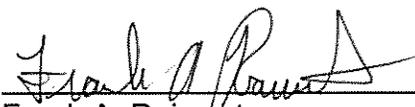
This bill, as amended, would affect the eligibility requirements concerning the Education Capital Improvements Sales and Use Tax. Currently, Charleston and Horry County are eligible and are imposing this tax pursuant to Section 4-10-470(A). As proposed, Aiken School District 1 would become eligible pursuant to subsection B, the counties of Cherokee, Chesterfield, Clarendon, Darlington, Dillon, Jasper, Lexington, and Marlboro would become eligible pursuant to subsection C, and the counties of Beaufort and Georgetown would become eligible pursuant to subsection D. Of these counties/school districts, only Aiken, Beaufort, Cherokee, and Georgetown may impose the tax in FY 2015-16; these counties/school districts either have no school district tax, have a school district tax which is expected to terminate, or are eligible pursuant to either subsection B or D. Assuming they each impose the tax; this bill would result in a \$47,754,613 increase in local revenues for FY 2015-16.

## Explanation of Amendment (03/11/14) – By the Senate

Counties, not eligible pursuant to Section 4-19-470(A), can impose the tax so long as the county area is subject to no more than a 2 percent total sales tax, has only one school district within its boundaries, and has collected at least \$750,000 from the state accommodations tax. Additionally, a county would become eligible to impose the tax if the county had imposed a local sales tax to fund education capital improvements on January 1, 2014; only after the local sales tax has been terminated can a county then impose the Education Capital Improvements sales tax. At least ten percent of the proceeds, from those counties which become eligible pursuant to Section 4-19-470(B) as proposed, must be used to provide property tax relief.

## Explanation of Amendment (03/19/14) – By the Senate

This amendment specifies, in subsection B, the fiscal year to be that of 2012-13 in which the county is required to have collected at least \$750,000 from the state accommodations tax.



Frank A. Rainwater  
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**Analyst:** Williams

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact of Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.