

# Statement of Estimated Local Revenue Impact

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**Date:** March 12, 2014 (As amended March 11, 2014 by the Senate)

**Bill Number:** S. 940

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

**Committee Requesting Impact:** Senate Finance 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. This bill, as amended would allow the following counties to impose the tax: Aiken, Beaufort, Cherokee, Chesterfield, Clarendon, Darlington, Dillon, Georgetown, Jasper, Lexington, and Marlboro. Of these counties, only Aiken, Beaufort, Cherokee, and Georgetown may impose the tax for FY 16; these counties either have no school district tax or have a school district tax which is expected to terminate. Assuming they each impose the tax; this bill would result in a \$47,754,613 increase in local revenues for FY 16.

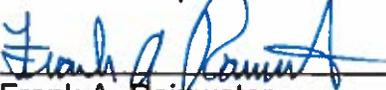
## Explanation of Amendment (03/11/14) – By the Senate

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 Bill filed January 15, 2014

This bill would 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.

Based on information from the SC Department of Revenue (DOR), 25 counties impose a sales tax rate of 1 percent or below; these counties would become eligible.

  
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Frank A. Rainwater  
Chief Economist

**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.

**S. 940 COUNTY ELIGIBILITY - amended March 11, 2014**

<b>SC COUNTIES</b>	<b>(B)(1)(a)</b>	<b>(B)(1)(b)</b>	<b>(B)(1)(c)</b>	<b>ELIGIBLE</b>	<b>FY 16 REVENUE</b>
ABBEVILLE	ABBEVILLE	AIKEN	AIKEN	AIKEN	\$11,285,069
AIKEN	AIKEN	ALLENDALE	BEAUFORT	BEAUFORT	\$24,707,335
ALLENDALE	ANDERSON	BEAUFORT	CHARLESTON	GEORGETOWN	\$6,723,736
ANDERSON	BARNWELL	BERKELEY	FLORENCE		
BAMBERG	BEAUFORT	CALHOUN	GEORGETOWN	(B)(5)(C)	
BARNWELL	CALHOUN	CHARLESTON	GREENVILLE	CHEROKEE	\$5,038,473
BEAUFORT	COLLETON	CHESTER	HORRY	CHESTERFIELD	
BERKELEY	DORCHESTER	CHESTERFIELD	LEXINGTON	CLARENDON	
CALHOUN	EDGEFIELD	COLLETON	RICHLAND	DARLINGTON	
CHARLESTON	FAIRFIELD	DARLINGTON	SPARTANBURG	DILLON	
CHEROKEE	GEORGETOWN	EDGEFIELD	YORK	JASPER	
CHESTER	GREENVILLE	FAIRFIELD		LEXINGTON	
CHESTERFIELD	GREENWOOD	GEORGETOWN		MARLBORO	
CLARENDON	KERSHAW	HORRY			
COLLETON	LAURENS	JASPER		TOTAL	\$47,754,613
DARLINGTON	LEXINGTON	KERSHAW			
DILLON	MCCORMICK	LANCASTER			
DORCHESTER	NEWBERRY	LEE			
EDGEFIELD	OCONEE	UNION			
FAIRFIELD	ORANGEBURG				
FLORENCE	PICKENS				
GEORGETOWN	SALUDA				
GREENVILLE	SPARTANBURG				
GREENWOOD	UNION				
HAMPTON	WILLIAMSBURG				
HORRY	YORK				
JASPER					
KERSHAW					
LANCASTER					
LAURENS					
LEE					
LEXINGTON					
MARION					
MARLBORO					
MCCORMICK					
NEWBERRY					
OCONEE					
ORANGEBURG					
PICKENS					
RICHLAND					
SALUDA					
SPARTANBURG					
SUMTER					
UNION					
WILLIAMSBURG					
YORK					