

# Statement of Estimated Local Revenue Impact

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**Date:** May 27, 2014 (As amended May 22, 2014 by the House)

**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 (ECI) 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>

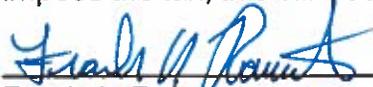
This bill, as amended, would affect the eligibility requirements concerning the Education Capital Improvements Sales and Use Tax. Currently, Charleston and Horry County are eligible and are imposing this tax pursuant to Section 4-10-470(A). As proposed, Aiken County would become eligible pursuant to subsection B, the counties of Cherokee, Chesterfield, Clarendon, Darlington, Dillon, Jasper, Lexington, and Marlboro would become eligible pursuant to subsection C, the counties of Beaufort and Georgetown would become eligible pursuant to subsection D, Anderson County would become eligible pursuant to subsection E, and Kershaw County would become eligible pursuant to subsection F. Of these counties, only Aiken, Anderson, Beaufort, Cherokee, Georgetown, and Kershaw may impose the tax in FY 2015-16; these counties either have no school district tax, have a school district tax which is expected to terminate, or are eligible pursuant to either subsection B, D, E, or F. Assuming they each impose the tax; this bill would result in an approximate \$67,210,279 increase in local revenues for FY 2015-16.

## Explanation of Amendment (05/22/14) – By the House

This amendment adds two additional sections, 4-10-470(E) and 4-10-470(F), to the bill. Together, these two sections allow both Anderson and Kershaw County to become eligible to impose the ECI tax. Additionally, Aiken County, rather than Aiken School District 1, can impose.

## Explanation of Amendment (03/22/14) – By the Senate

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.



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.