

Statement of Estimated Local Revenue Impact

Date: March 27, 2014

Bill Number: H.B. 4944

Author: Skelton

Committee Requesting Impact: House Ways and Means

Bill Summary

A bill to amend Section 12-43-225, Code of Laws of South Carolina, 1976, relating to the multiple lot discount, so as to delete the provision that removes the discounted value after five years for a developer, to delete the provision that removes the discounted value after one year for a homebuilder, and to make conforming changes.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. We estimate that the bill will lower property tax revenues by \$5,200,000 in FY 2015-16.

Explanation

This bill would amend Section 12-43-225 relating to the expiration of multiple lot discounts for property owners and builders. Currently an owner of a subdivision for development may continue to receive a multiple lot discount until the lot is sold or a certificate of occupancy is issued for up to eight years through tax year 2014 if the discount was first received December 31, 2008. A builder may continue to receive the discount for three years if the discount was received on December 31, 2011. These extended discounts are both set to expire after tax year 2014. This bill would delete the expiration date of the discounts and allow a property owner or builder to continue to receive the discount until the lot is deemed sold or a certificate of occupancy is issued. Based upon information provided by county assessors, we estimate that extending the exemptions would reduce property taxes by an estimated \$5,200,000 for FY 2015-16 when the exemptions would have expired.



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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.