



LEGISLATIVE UPDATE 2/16/06

S.1028, *McConnell*, this bill will enact the “South Carolina Property Tax Assessment Reform Act”. The bill was passed by a Senate Judiciary Committee and is set for Special Order on the Senate Calendar. The Senate bill uses a growth factor for reassessment and not a tax swap. Voters will decide whether to keep their current reassessment system, or place a 15% maximum cap on how much property tax can increase every five years. The discussion continues with portions of the Senate Reform package receiving approval.

H.4449, *Cotty*, this bill removes all property taxes from owner occupied homes except the portion attributable to bonded indebtedness. The sales tax is increased to 7% and the sales tax on food is completely removed. The state’s assessment system is changed so that property is only reassessed at the point of sale or upon significant improvement. A controversial amendment was adopted that would allow counties that raised their local option sales tax to apply the additional revenue to resident taxes on second homes, cars and other types of real property. The bill passed the House and has been referred to the Senate Finance Committee. The Senate Finance Committee seems to be in no hurry to take up the House bill.

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