

Tax Assessor

FREQUENTLY ASKED QUESTIONS:

Q. Why do we pay property tax?

A. Property tax is collected by local government to provide for the many services most of us take for granted. Schools, police and fire protection and public libraries are possible because of revenue from the property tax. We are all asked to pay our fair share of the cost of these services by paying tax in proportion to the value our property.

Q. How is the value of my property determined?

A. The county assessor maintains information on each property located in the county, including size, square footage, location and certain amenities. The assessor also has copies of building permits, which provide additional information on the property. To find the value of any piece of property, the assessor must know the price for which properties similar to it are selling, what it would cost today to replace, how much it takes to operate and repair, what rent the property may earn, and other facts affecting its value, such as the current rate of interest charged for borrowing the money to buy or build properties.

Q. How is the property taxed?

A. The property tax is determined by multiplying the fair market value by the assessment ratio by the mileage rate.

For example, the tax on your home is determined in this way:

\$50,000 Fair market value of home x 4% Assessment ratio
2,000 Assessed value x .250 Mileage Rate (250 mills)
\$ 500 Taxes due

The South Carolina Constitution provides for the following ratios to be applied to the market or use value of property to arrive at the assessed value:

Your home (legal residence)	4%
Second home (or any residential property where you do not live)	6%
Agricultural real property (privately owned)	4%
Agricultural real property (corporate owned)	6%
Commercial real property	6%

Q. How do I get the best tax rate for my home?

A. If you own a home, you want to be sure to obtain the 4% assessment rate if you live in the home as your legal residence. Otherwise, your tax rate will be 6%. To obtain the lower rate, you will need to complete an application with the county assessor. This should be done as soon as you move into your house, but may be filed anytime before January 15, when taxes are due. Once you file this application, you will not need to complete another one, unless ownership changes or use of the property changes.

Q. What is the personal property tax?

A. Personal property tax is collected annually on motor vehicles, recreational vehicles, watercraft (includes boats, wave runners, jet skis, etc.) and airplanes. Personal property tax also applies to equipment, furniture, fixtures and machinery primarily used by businesses. Household goods in your residence are exempt from personal property tax.

Q. How often does reassessment occur?

A. State law requires that counties reassess property every five years. Counties are on a staggered annual schedule.

Q. How is my property reassessed?

A. A data collector or appraiser from the assessor's office visits your property and measures the structures to determine square footage. The data collector also notes other information, such as age, type of construction, type of heating and air conditioning, number of floors, and whether the structure has a

garage, deck, swimming pool or other amenities. An appraiser then considers this information along with selling prices of similar properties in the area, how much it would cost to replace the property at current costs, and the general physical condition of the property. For rental or commercial property, an evaluation is made on how much income the property produces, what the operating expenses are and what kind of investment return can be reasonably expected. The appraiser also will visit the property to verify the information. With all this information, the appraiser then sets the value of your property.

Q. How will I know if my property value changes?

A. Counties must mail a property tax assessment notice to all property owners whose property's fair market value increases by \$1000 or more. Assessment notices must be sent to the person listed as property owner as of December 31 of the prior year. The assessment notice is NOT a tax bill. The notice is simply to notify taxpayers of a change in their property's value. Tax bills are mailed usually in October and must be paid by January 15. The assessment notice includes your market value, the new assessment ratio, number of acres or lots, location of property, tax map number and the appeals procedure. When the reassessment program is completed, counties must mail the assessment notices by February 1 of the year the reassessment program will be implemented. If most of the reassessment notices are not mailed by February 1 in a year of reassessment, the prior year's property tax assessment must be used to calculate taxes for the current year.

Q. What if I disagree with my property value?

A. If after receiving your assessment notice, you disagree with the new value assigned your property, you have the right to appeal. An appeal must be filed in writing within 30 days of receiving the assessment notice. You must file your appeal with the county assessor. Don't wait until your tax bill arrives to appeal your new value, it's too late then.

Q. Will my taxes increase because of reassessment?

A. Some property owners will notice a decrease in their tax, some will stay the same and some will pay more tax. Reassessment is not intended to raise taxes; it is intended to distribute the tax burden fairly among all property owners. Because of reassessment, typically you will see that real property values have increased. Unless a property is badly in need of repair, rarely do property values decrease. Because of the increase in property values throughout the county, the millage rate can then be lowered without decreasing the total amount of taxes collected in the county. If it has been a long time since your home has been reassessed, you will likely see an increase in your taxes. That's because your home has been taxed at less than its fair market value.

Q. What is a "roll-back" tax?

A. Rollback taxes are due when real property is in agricultural use and is being valued, assessed and taxed as agricultural real property and is applied to a use other than agricultural, it shall be subject to additional taxes referred to as rollback taxes. These taxes are the responsibility of the person who changes the use, usually the buyer, because in most instances the buyer will constitute the change.

Q. How is property defined as a legal residence?

A. A property is a person's legal residence if the property is owned and occupied by that individual as the individual's domicile. "Domicile" has its usual meaning and is considered to be that residence where a person has a true, fixed and permanent home and principal establishment and to which whenever the person is absent has the intention of returning. An individual can have only one domicile at a time. A property does not qualify, as a legal residence unless the owner-occupant applies to the county assessor where the property is located, and the county assessor determines the residence is in fact the domicile of the owner-occupant. To qualify for the four percent assessment ratio, the owner occupant must:

- (1) Own and occupy the residence on the property as the person's "legal residence;"
- (2) be domiciled on the property during the applicable tax year and at the end of the applicable tax year; and
- (3) certify to the county assessor under penalty of perjury, that: (a) the property is the applicant's legal residence and where the applicant is domiciled; and (b) neither the owner nor any member of the owner's household (spouse or child claimed or eligible to be claimed as a dependent on the owner-occupant's income tax return) owns any other residence in South Carolina which qualifies for the owner-occupied four percent assessment ratio.

The burden of proof is on the owner-occupant to establish with the county assessor that the property is a legal residence. In addition to the certification required in the application process, the applicant must provide whatever other proof the assessor requires and considers necessary. The following kinds of

property ownership may qualify for legal residence status. The amount of property eligible for the four percent assessment ratio is limited to land with five acres or less considered as a lot with the legal residence. Also, the legal residence and one acre of land over five acres, with anything over the one acre being taxed at a six percent assessment ratio.

- A residence on fee simple property owned and occupied by the applicant as a domicile may qualify as a legal residence.
- A residence owned and occupied "Part in Fee" by the applicant as a domicile may qualify as a legal residence up the percentage of the residence owned by the domiciliary taxpayer. The remainder of the property would be taxed at a six percent assessment ratio.
- A "Life Estate" owned and occupied as a domicile may qualify as a legal residence. A life estate is an estate in real property in which the tenant has a freehold interest for his or her life.
- Residential property held in trust, if the income beneficiary of the trust occupies the property as his or her domicile may qualify as a legal residence. The trustee of the trust must apply to the assessor and provide the necessary certification.
- A legal residence located on leased land may qualify as a legal residence. A residence, such as a mobile home, owned and occupied as the owner's legal residence, but located on leased or rented property, even though at the end of the lease period the lessor becomes the owner of the residence, may qualify as a legal residence. The residence, once qualified, would be taxed to the owner at the four percent assessment ratio. The land on which the home is located would be taxed to the landlord as rental property and at a six percent assessment ratio.
- Leased property upon which an owner-occupant maintains a domicile and the lessee is "liable for the taxes" may qualify as a legal residence.
- Property purchased under a contract for sale on which the owner occupant maintains a domicile may qualify as a legal residence. The purchaser is regarded as the equitable owner of the property, subject to a liability for the unpaid price, and the seller as holding the legal title from the time a valid agreement for the purchase of the property is entered into.

Q. If an individual owns more than one home (a primary residence and a beach house), may the individual elect which home receives the four percent assessment ratio?

A. No. Only the owner-occupied domicile will qualify for the four percent assessment ratio.

Q. If an individual owns and occupied a home (Home A) as a legal residence and sells that residence during the tax year but buys a new residence (Home B) and occupies it as his or her domicile during the same tax year, may the taxpayer elect which residence (A or B) to qualify as a legal residence?

A. No. Only the residence the owner owns and occupies as a domicile as of December 31 of the tax year in question (Home B) will qualify as a legal residence. Once (Home A) is sold or is no longer occupied as an owner-occupied domicile, it loses its eligibility for the four percent assessment ratio.

Q. If Taxpayer A sells his owner-occupied domicile during the tax year to Taxpayer B, Taxpayer A having previously qualified his home for the four percent assessment ratio with the county assessor, will the property be taxed as a four percent assessment ratio or a six percent assessment ratio?

A. If Taxpayer B qualifies the property with the county assessor, as Taxpayer B's owner-occupied domicile the property will be taxed at a four percent assessment ratio for the entire tax year. If Taxpayer B fails to qualify or is unable to qualify the property as his or her legal residence, i.e., he is renting it to another; the property will be taxed at a six percent assessment ratio for the entire tax year.