

**MILLAGE RATES / ASSESSMENT RATIOS  
FOR FY 2009 - 2010  
A Guide to Real & Personal Property Appraisal and Assessment**

The calculation of property taxes involves the following three elements: Valuation, Classification & Millage.

1. **VALUATION**: In 1975, the General Assembly passed Act 208, which provides that all real property will be valued at its current fair market value. Act 208 also provides for the classification of all real property for assessment purposes, and provides that all real property be assessed at one time. In 1999, the legislature adopted Code of Laws of South Carolina Section 12-43-217: “once every fifth year each county of the State shall appraise and equalize those properties under its jurisdiction...” Why is current fair market value so important? Because the market value of property will continue to change; however, not all properties change at the same time or at the same rate. Some properties increase or decrease at a faster rate due to location, desirability of the neighborhood or property, age and physical condition. Therefore, taxes cannot be levied fairly unless the true value of each property is known. Correct assessments are not possible unless correct appraisals of property are made in light of present value, not what it was worth in past years. This is the most important function of a continuing assessment equalization system.
  
2. **CLASSIFICATION OF PROPERTY**: The County Assessor is charged by South Carolina Law (Act 208 of 1975 as amended) with classifying real property for assessment purposes. All property appraised by the County Assessor has been classified into categories, depending on whether application has been made for either legal residence and/or agricultural use value. Each category has an assessment ratio, established in the State Constitution to ensure taxing stability, and is different for residential, commercial and industrial real property.
  - ◆ ***Legal Residence***: refers to the special **4%** assessment ratio for owner-occupied homes. For real property tax purposes, the term legal residence means: ***the permanent home or dwelling place owned and occupied by the owner of the property***. It shall be the place where (s)he intends to remain permanently for an indefinite time even though (s)he may temporarily be living at another location. However, the same shall not include a residence maintained principally for vacation or recreational purposes (SC Tax Commission Regulation 117-122). To qualify for this special property tax assessment ratio, the owner-occupant must have actually owned and occupied the residence as his/her legal residence and been domiciled at that address for some period during the applicable tax year and remain in that status at the time of filing for legal residency. The owner must have title (deed or will) or bond for the title recorded in the Register of Deeds Office or have an equity interest (Contract for Sale), and the property must be occupied by the owner as his/her legal residence. The property can include not more than five acres contiguous thereto and be owned totally or in part in fee or by life estate, but shall not include any portion that is not owned and occupied for residential purposes.

*Property Tax Relief*: Over the last several years, both the State of South Carolina and Lexington County have initiated property tax relief through revenues generated by sales tax. While revenues collected through the County are credited to all types of property (including personal vehicles), the revenues from the State are only credited to owner-occupied residential property. See below for an example.

*Agricultural Use Value:* refers to the appraised value assigned to those acreage tracts of land that qualify based on bona fide agricultural use of the property (application must be filed with the Assessor’s Office). Generally, tracts used to grow timber must be five acres or more. Tracts used for other agricultural purposes generally must be ten acres or more. A use value is then calculated before applying the 4% ratio. Generally property used for agricultural uses have a much lower tax value than residential or commercial property.

*Homestead Exemption:* is not to be confused with legal residence. The elderly (over age 65), blind, disabled or a surviving spouse may be eligible for a \$50,000 deduction from the Assessor’s market value appraisal of his/her legal residence (SEE EXAMPLE BELOW). An application must be filed for this exemption.

- ◆ ***Other Real Property:*** - all other property appraised by the Assessor’s Office not classified as Legal Residence or Agricultural use. This includes idle or vacant land, residential property (both non-qualifying owner-occupied residence and rental property), and all commercial property. The Assessment Ratio for this category is **6%**.
- ◆ ***Property Appraised by the SC Dept. of Revenue:*** Properties involving transportation, utilities, manufacturing and personal property (other than personal motor vehicles) are assessed by the South Carolina Department of Revenue and are generally assessed at either 9.5% or 10.5% (exceptions may apply for qualifying projects meeting the state’s tax incentive guidelines).
- ◆ ***Personal Property:*** Until 2002, all personal property had been assessed at 10.5% (with a few exceptions for industrial property), ***however, in 2001, a new property class was created for personal motor vehicles (passenger motor vehicles and pickup trucks). Effective January 1, 2002, the assessment ratio for this new class was 9.75%, and thereafter, continued to be lowered by .75% per year until the assessment ratio reached 6%. The tax ratio for 2006 (and thereafter) = 6%. ALL OTHER PERSONAL PROPERTY WILL REMAIN AT AN ASSESSMENT RATIO OF 10.5%***

**3. MILLAGE:** Each taxing jurisdiction annually determines the number of mills required to apply to the total assessed value of property subject to taxation within its jurisdiction. This is done in order to raise the money the jurisdiction needs to operate and provide services for its citizens for the next year. (Each jurisdiction also takes other sources of revenue into account in making this determination.) Property located within a municipality will be subject to both municipal and county property tax.

**Real Property Assessment Ratios:**

- Residential (owner occupied): 4.0%
- \*Other / Commercial: 6.0%
- Industrial: 10.5%

**Personal Property Assm’t Ratio:** 10.5% (EXCEPT ON PERSONAL MOTOR VEHICLES: 6% beginning 2007)

\*Non Owner-Occupied Residential is Assessed at the Rate of 6%



Tax Year 2009-2010

**City of West Columbia for 2009 Tax Year (School District Two):**

County Millage (outside city): <b>290.184 (.290184)</b>	County Millage (inside city): <b>*275.306 (.275306)</b>
City of West Columbia Millage:	<u>55.500 (.055500)</u>
<b>City &amp; County Millage:</b>	<b>330.806 (.330806)</b>

**\*County does not charge millage for fire service operations and bonds when inside city (currently a total of 14.878 Mills**

STANDARD FORMULA: Valuation x Ratio x Millage Rate = TAX IMPACT

**LEGAL RESIDENCE EXAMPLE:**

Value: \$100,000 / Residential Ratio: 4%

\$100,000 x .04 x .330806	= \$1,323.24 Total County & City Tax
	<u>( 805.90) Less State &amp; County Est. Tax Relief</u>
	<b>\$ 517.34 NET TAX IMPACT</b>

**HOMESTEAD EXEMPTION EXAMPLE:**

Value: \$100,000

Homestead Exemption on first \$50,000 of Appraised Value

Residential Ratio: 4%

In City Total Tax Millage (Including County Millage): 330.806 Mills

\$100,000 x .04 x .330806	= \$1,323.24 Total County & City Tax
	<u>( 805.90) Less State &amp; County Est. Tax Relief</u>
Less Homestead Exemption:	= <u>( 363.94) Less Homestead Exemption</u>
	<b>\$ 153.40 NET TAX IMPACT</b>

**PERSONAL PROPERTY – PERSONAL MOTOR VEHICLE EXAMPLE:**

Value: \$20,000

Personal Property Ratio For personal motor vehicles: 6%

In City Total Tax Millage (including County Millage): 330.806 Mills

\$20,000 x .06 x .330806	= \$397.98
Estimated 1% County Sales Tax Credit	= <u>( 45.58) Less State &amp; County Est. Tax Relief</u>
	<b>\$352.40 NET TAX IMPACT</b>