

# State of South Carolina Property Tax Assessments Statutes

## **Basis for Property Tax Assessments – Market Value**

Property is generally valued at its true value in money, defined as the price the property would bring following reasonable exposure to the market when both the seller and the buyer are willing and reasonably well informed with respect to the uses and purposes for which the property is adapted and for which it is capable of being used (Sec. 12-37-930, Code). The fair market value of real property is its fair market value applicable for the later of (Sec. 12-37-3140(1), Code):— the base year, as defined in subsection (C) of this section;— December thirty-first of the year in which an assessable transfer of interest has occurred;— as determined on appeal; or— as it may be adjusted as determined in a countywide reassessment program. The fair market value of subsequent improvements and additions to the property are added to the fair market value of real property (Sec. 12-37-3140(2), Code). Any increase in the fair market value of real property attributable to the periodic countywide appraisal and equalization program is limited to 15% within a five-year period. This limit does not apply to the fair market value of additions or improvements to real property in the year those additions or improvements are first subject to property tax, nor to the fair market value of real property when an assessable transfer of interest occurred in the year that the transfer value is first subject to tax (Sec. 12-37-3140(B), Code). The fair market value for motor vehicles licensed by the Department of Revenue and Taxation (Department) must be based on values derived from a nationally recognized publication of vehicle valuations. Depreciation: The fair market value of machinery and equipment used in manufacturing is reduced by an annual allowance for depreciation according to a statutory schedule (Sec. 12-37-930, Code). • Reappraisals Once every fifth year, each county or the state is required to appraise and equalize the properties under its jurisdiction (Sec. 12-43-217, Code). • Specially valued property Agricultural land: Qualified agricultural real property is taxed on the basis of its fair market value for agricultural purposes. Land used for the growth of timber is considered agricultural real property. To receive this treatment, the owner must file an application for agricultural classification. The fair market value of agricultural real property is based on the productive earning power of the land, determined by capitalizing typical cash rents or typical net annual incomes of land with like soil in the locality, without consideration of any standing timber (Sec. 12-43-220(d), Code). Property used for agritourism (e.g., on-farm fee fishing, hayrides, mazes, crop art, etc.) may be classified as agricultural use property if the property used for agritourism is supplemental and incidental to the p



primary purposes of the entire tract's use for agriculture, grazing, horticulture, forestry, dairying, or mariculture (Sec. 12-43-223, Code). Airline company aircraft: The fair market value for aircraft is based on values derived from a nationally recognized publication of vehicle valuations, and may not exceed 95% of the prior year's value (Sec. 12-37-930, Code). Conservation easements: Real property burdened by a qualified conservation easement is assessed on a basis that reflects the existence of the easement (Sec. 27-8-20, Code, Sec. 27-8-70, Code). Manufacturers', utilities, and mining operations: Business property is assessed at 10.5% of fair market value (Sec. 1, Art. X, S.C. Const., Sec. 12-43-220(a), Code). Real property of a manufacturer is excluded if used primarily (1) for research and development, (2) as an office building, unless the building is located on the premises of or contiguous to the plant site, or (3) for warehousing and wholesale distribution of clothing and wearing apparel.

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### **Real Property Defined**

Real property means land and all structures contained, annexed, or attached to the land that pass to a buyer when the land is conveyed (Sec. 12-37-10(1), Code), and all other property that, according to custom, has been considered to be real property (Reg. 117-105). All mobile homes (Sec. 12-43-230(b), Code) and all improvements to leased real property made by the lessee are considered real property (Sec. 12-43-230(b), Code). In addition, Reg. 117-105 lists specific property classified as real or personal property.

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### **Personal Property Defined**

Personal property means all property, other than real estate, which has any monetary value. Also included in the term personal property are money, credits (the remainder due a person after deducting debts and demands against him or her), investment in bonds of all types, and investment in stocks (Sec. 12-37-10(2)– (6), Code).

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### **Intangible Property Taxes**

Intangible personal property is specifically exempt from property taxation (Sec. 3(j), Art. X, S.C. Const., Sec. 12-37-220(A)(10), Code). Money, credits, and investments in bonds, stock, or joint-stock companies of residents are taxable (Sec. 12-37-210, Code).