

HOUSE PANEL APPROVES PROPERTY TAX REFORMS

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COLUMBIA - Bills that would change the property reassessment system and swap property taxes for increased sales taxes took a step forward Tuesday in the Statehouse.

A House subcommittee passed the two bills 4-1 after hearing from lobbyists, lawmakers and taxpayers.

The proposals now head to the full Ways and Means Committee, which meets next week. Rep. Bill Clyburn, D-Aiken, cast the lone no vote.

One bill would remove school, city and county operating costs off the property tax bills of owner-occupied homes, leaving only local government debt, in exchange for a 2-cents-on-the-dollar sales tax increase. It also would eliminate sales tax on groceries. It seeks to switch reassessment to a so-called point-of-sale system, in which property would be reassessed only when sold or significantly improved.

A reassessment change requires amending the state constitution, which the other bill addresses. Residents would vote on whether they want the new reassessment system in the next general election.

The leaders of anti-property-tax groups told the subcommittee they expect results this election year.

"Taxpayers have watched property taxes escalate beyond reason. Elected officials owe us a resolution now," said Dan Harvell, chairman of the Anderson County Taxpayers Association.

He said taxpayers are outmanned and outspent by large associations and their lobbyists.

Representatives for the state Association of Counties, state School Boards Association and state Association of School Administrators expressed their concerns about the bill.

Tim Winslow, an attorney with the county association, said counties should have the option of adopting point-of-sale or some other reassessment system - a proposal more in line with what the state Senate's working on.

Anti-tax groups oppose giving counties a choice.

"Citizens want taxes off their homes. They've suffered long enough," said Emerson Read, a Charleston resident and statewide chairman of NoHomeTax.org.

Two Republican representatives that weren't on subcommittee spoke out against the proposals.

"When the dust settles, I think we're hurting more people than we help," said Aiken Rep. Skipper Perry. Taking away local governments' taxing ability means 46 counties, 85 school districts and every municipality will be coming to the General Assembly every budget season seeking money, he said, adding he doesn't want to "baby-sit" them.

Six Mile Rep. B.R. Skelton said owner-occupied homes, which account for 40 percent of the state's tax base and pay 20 percent of the taxes, should not be "subsidized" any more. He called it a misconception that owner-occupied homes are overtaxed.

Skelton said the proposals shift the tax burden "away from the affluent to the less affluent, renters and businesses." He said he agrees the reassessment system needs fixed but not this way.

"It's good politics to consider this bill the way it's written," Skelton said. "It's absolutely bad policy."

The state Chamber of Commerce also opposes the proposals, fearing a tax shift to businesses could make South Carolina less competitive.

"Multinational and multistate corporations can decide not to come here," Otis Rawl, a lobbyist for the state Chamber of Commerce, said last week. "All of a sudden, businesses that may have been looking at us may say, 'Do we need to look at South Carolina any more?'"