
State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #97-6

SUBJECT: Consumer Price Index for Rollback Millage Calculation
(Property Tax)

DATE: February 19, 1997

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCE: S. C. Code Ann. Section 12-37-251(E) (as amended by Act 145 of 1995)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1995)
SC Revenue Procedure #94-1

SCOPE: An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements are official advisory opinions of the Department.

Section 12-37-251 (as amended by Act 145 of 1995) reads, in pertinent part:

(E) In the year of reassessment the millage rate for all real and personal property must not exceed the rollback millage, except that the rollback millage may be increased by the *percentage increase in the consumer price index* for the year immediately preceding the year of reassessment. Rollback millage is calculated by dividing the prior year property tax revenues by the adjusted total assessed value applicable in the year the values derived from a county wide equalization and reassessment program

are implemented. This amount of assessed value must be adjusted by deducting assessments added for property or improvements not previously taxed, for new construction, and for renovation of existing structures.
(Emphasis added.)

For purposes of Section 12-37-251(E), the Department of Revenue uses the average increase in the Consumer Price Index for All Urban Consumers (CPI-U) which is published by the U.S. Department of Labor's Bureau of Labor Statistics. Therefore, for the 1997 reassessment year, the rollback millage may be increased by 2.9% - the average increase in the CPI-U for 1996.

The department will publish the allowable increase in the rollback millage for reassessment year 1998 when notified of the average increase in the CPI-U for 1997.