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

DATE:          February 3, 2005

SUPERSEDES:    All previous documents and oral directives that conflict with this bulletin


               SC Revenue Procedure #99-4

SCOPE:         An Information Letter is a written statement issued to the public by the
               Department to announce general information useful in complying with
               the laws administered by the Department. An Information Letter has
               no precedential value, and is not binding on the public or the
               Department.

Section 6-1-320(A) of the South Carolina Code of Laws (“Code”) reads as follows:

   Notwithstanding Section 12-37-251(E), a local governing body may increase
   the millage rate imposed for general operating purposes above the rate imposed
   for such purposes for the preceding tax year only to the extent of the increase in
   the consumer price index for the preceding calendar year. However, in the year
   in which a reassessment program is implemented, the rollback millage, as
   calculated pursuant to Section 12-37-251(E) must be used in lieu of the
   previous year’s millage rate.

For purposes of the above section, 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 Statistics. The average increase in the CPI-U for calendar year
2004 was 2.7%. Accordingly, in determining the millage rate in 2005 to be imposed for general
operating purposes, the millage rate may be increased by 2.7% over the millage rate determined
for this purpose in 2004.