
State of South Carolina
Department of Revenue
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Website Address: <http://www.sctax.org>

SC INFORMATION LETTER #06-2

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

DATE: February 7, 2006

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

REFERENCE: S. C. Code Ann. Section 6-1-320(A)(2005 Supp.)
Act No. 145 of 2005

AUTHORITY: S. C. Code Ann. Section 12-4-320 (2000)
S. C. Code Ann. Section 1-23-10(4) (2005 Supp.)
SC Revenue Procedure #05-2

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.

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 average of the twelve monthly consumer price indexes for the most recent twelve-month period consisting of January through December of 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 2005 was 3.4%. Accordingly, in determining the millage rate in 2006 to be imposed for general operating purposes, the millage rate may be increased by 3.4% over the millage rate determined for this purpose in 2005.