SC INFORMATION LETTER 99-20

SUBJECT:	Consumer Price Index for Millage Calculation (Property Tax)
DATE:	October 5, 1999
SUPERSEDES:	SC Information Letter #98-3 and all previous documents and any oral directives in conflict herewith.
REFERENCE:	S.C. Code Ann. Section 6-1-320 (as amended by Act No. A114, 1999 Legislative Session)
AUTHORITY:	S. C. Code Ann. Section 12-4-320 (Supp. 1998) SC Revenue Procedure #97-8
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 6-1-320(A) of the South Carolina Code of Laws ("Code") as amended by Act No. A114 of 1999 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. [emphasis added.]

For purposes of Section 6-1-320, 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. For the 1999 property tax year, the millage may by increased by **1.6%** under Section 6-1-320(A) - the average increase in the CPI-U for January 1, 1998 through December 31, 1998.

The Department will publish the allowable increase in the millage for property tax year 2000 when notified of the average increase in the CPI-U for 1999.