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

SC REVENUE RULING #95-14 (TAX)

SUBJECT: Homestead Exemption
(Property Tax)

EFFECTIVE DATE: Applies to all periods open under the statute.

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

REFERENCES: S. C. Code Ann. Section 11-11-330 (Enacted 1995)
S. C. Code Ann. Section 12-37-251 (Enacted 1995)
S. C. Code Ann. Section 12-37-250 (Supp. 1994)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 1994)
SC Revenue Procedure #94-1

SCOPE: A Revenue Ruling is the Department of Revenue's **official advisory opinion** of how laws administered by the Department are to be applied to a specific issue or a specific set of facts, and is provided as guidance for all persons or a particular group. It is valid and remains in effect until superseded or modified by a change in the statute or regulations or a subsequent court decision, Revenue Ruling or Revenue Procedure.

Question:

Is the new homestead exemption provided for in Code Section 11-11-330, the newly established "State Property Tax Relief Fund", in addition to the existing homestead exemption provided for in Code Section 12-37-250?

Conclusion:

The new homestead exemption provided for in Code Section 11-11-330, the newly established "State Property Tax Relief Fund", is in addition to the existing \$20,000 homestead exemption provided for in Code Section 12-37-250.

Discussion:

NEW HOMESTEAD EXEMPTION

House Bill 3362, Section 119, dealing with property tax relief, became effective June 29, 1995. Code Sections 11-11-330 and 12-37-251 were added as part of this legislation.

Code Section 11-11-330 establishes the "State Property Tax Relief Fund". This section provides that:

Funds credited to the 'State Property Tax Relief Fund' must be used to provide property tax relief in the manner prescribed in Section 12-37-251. The General Assembly shall appropriate an amount sufficient to reimburse sums equal to the amount of taxes that were not collected for the local government by reason of the exemption provided in Section 12-37-251.

Code Section 12-37-251 provides for additional property tax relief by allowing another homestead exemption from property taxes levied for school operations. Subsection (A) provides:

The exemption applies against millage imposed for school operations and the amount of fair market value of the homestead that is exempt from such millage must be set by the Director of the Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund.

EXISTING HOMESTEAD EXEMPTION

The South Carolina Constitution, Article X, Section 3(i) provides for an exemption from ad valorem taxation for certain taxpayers. Code Section 12-37-250 implements this exemption referred to in the Constitution and provides that:

The first twenty thousand dollars of the fair market value of the dwelling place of the person is exempt from county, municipal, school, and special assessment real estate property taxes when the person has been a resident of this State for at least one year and has reached the age of sixty-five years on or before December thirty-first, the person has been classified as totally and permanently disabled by a state or federal agency having the function of classifying persons, or the person is legally blind as defined in Section 43-25-20, preceding the tax year in which the exemption is claimed and holds complete fee simple title or a life estate to the dwelling place.

AFFECT OF 1995 PROPERTY TAX RELIEF AMENDMENT

Under the rule of statutory construction of statutes in pari materia, statutes are not to be considered as isolated fragments of law, but as a whole, or as parts of a great, connected, homogeneous system. Such statutes are considered as if they constituted but one act, so that sections of one act may be considered as though they were parts of the other act, as far as this can be reasonably be done. Indeed, as a general rule, where legislation dealing with a particular subject consists of a system of related general provisions indicative of a settled policy, new enactments of a fragmentary nature on that subject are to be taken as intended to fit into the existing system and to be carried into effect conformably to it, unless a different purpose is shown plainly. 73 Am.Jur.2D Statutes Section 188. The legislature could not have intended Code Section 12-37-251 to impliedly repeal Code Section 12-37-250 since the latter is mandated by the Constitution.

Also, repeals by implication are not favored by courts, and to repeal a statute on account of asserted conflict or repugnancy with another statute, the repugnancy must not only be plain, but the provisions of two statutes must be incapable of any reasonable reconciliation. See City of Rock Hill v. South Carolina Dept. of Health and Environmental Control, 394 S.E.2d, 327, 302 S.C. 161 (1990).

Reading newly enacted Code Sections 11-11-330 and 12-37-251 together with Article X of the South Carolina Constitution and Code Section 12-37-250, the law allows taxpayers who meet the requirements of Code Section 12-37-250 (see above) to first use that section's \$20,000 homestead exemption, and then use Code Section 12-37-251 (up to the amount set by the Director) on any remaining value of the home. To read these statutes otherwise would destroy the existing constitutionally mandated homestead exemption.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Burnet R. Maybank III _____
Burnet R. Maybank, III, Director

Columbia, South Carolina
September 13, 1995