PUBLIC DRAFT

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SC REVENUE RULING #26-x [Public Draft – 8/19/2026]

SUBJECT:	Trustee Certification – Income Beneficiary of Trust (Property Tax)
EFFECTIVE DATE:	All periods under the statute.
REFERENCES:	S.C. Code Ann. Section 12-43-220 (2014)
AUTHORITY:	S.C. Code Ann. Section 12-4-320 (2014) SC Revenue Procedure #09-3
SCOPE:	The purpose of a Revenue Ruling is to provide guidance to the public. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Department advisory opinion.

PURPOSE:

The purpose of this advisory opinion is to provide the Department's guidance on assessors' authority to require submission of the trust document to verify eligibility of a trust beneficiary to receive the special assessment ratio for an owner-occupied legal residence when a trustee provides certification that the property is occupied as a residence by the income beneficiary of the trust.

LAW AND DISCUSSION:

South Carolina law provides a special property tax assessment ratio of 4% for a legal residence occupied by the owner.[1] The legal residence may include up to five contiguous acres as well as additional dwellings located on the same property and occupied by immediate family members.[2] This special property tax assessment ratio also applies to residential property held in trust if the income beneficiary of the trust occupies the property as a residence.[3] In such cases, the trustee must certify to the assessor that the property is occupied as a residence by the income beneficiary of the trust.[4]

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[1] S.C. Code Ann. § 12-43-220(c)(1).
[2] Id.
[3] Id.
[4] Id.

The owner-occupant must apply to the county assessor and meet certain statutory requirements to be eligible for this special property tax assessment ratio.[5] The requirements include the owner-occupant actually owning and occupying the residence as a legal residence and being domiciled at that address for some period during the applicable tax year.[6]

To apply for the special property tax assessment ratio, the owner-occupant must submit all required information to the county assessor and must certify to the following statement: "Under penalty of perjury I certify that: (A) the residence which is the subject of this application is my legal residence and where I am domiciled at the time of this application and that neither I, nor any member of my household, claim to be a legal resident of a jurisdiction other than South Carolina for any purpose; and (B) that neither I, nor a member of my household, claim the special assessment ratio allowed by this section on another residence."[7]

The owner-occupant is responsible for proving eligibility for the special property tax assessment ratio.[8] In addition to the application and certification, the county assessor may require the owner-occupant to provide additional documentation to prove eligibility, which may include, but is not limited to: a copy of the owner-occupant's most recently filed South Carolina individual income tax return; copies of South Carolina motor vehicle registrations for all motor vehicles registered in the name of the owner-occupant and registered at the same address of the four percent domicile; and other proof required by the county assessor necessary to determine eligibility for the special assessment ratio.[9] Finally, to determine eligibility, rental income, and residency, the county assessor annually may require "a copy of applicable portions of the owner's federal and state tax returns, as well as the Schedule E from the applicant's federal return for the applicable tax year."[10]

The county assessor has the authority to determine whether the owner-occupant is eligible for the special assessment ratio.[11] If the county assessor determines the owner-occupant ineligible, "the six percent property tax assessment ratio applies, and the owner-occupant may appeal the classification."[12]

Application of the special property tax assessment ratio is not immediate or automatic. Statutory requirements related to the owner-occupant's application and certification as well as the county assessor's ability to require additional documentation underscore the county assessor's authority to determine eligibility. The burden of proof lies with the owner-occupant to prove these statutory requirements are met and the residence is eligible for the special property tax assessment.[13]

[5] S.C. Code Ann. § 12-43-220(c)(2)(ii).
[6] S.C. Code Ann. § 12-43-220(c)(2)(i).
[7] S.C. Code Ann. § 12-43-220(c)(2)(ii).
[8] S.C. Code Ann. § 12-43-220(c)(2)(iv).
[9] Id.
[10] Id.
[11] Id.
[12] Id.
[13] Id.

The additional requirement for the income beneficiary of the trust required by Code Section 12-43-220(c)(1) does not alleviate the owner-occupant from the application, certification, or burden of proof requirements. Nothing in the statute limits the county assessor's authority and responsibility to determine eligibility. Code Section 12-43-220(c)(1) merely asserts that the special property tax assessment ratio also applies to residential property held in trust if the income beneficiary of the trust occupies the property as a residence and provides for the method in which the owner-occupant may prove this relationship to the county assessor.

In some cases, the trustee certification alone may not be sufficient for the county assessor to determine whether the owner-occupant is the "income beneficiary" occupying the property as required by Section 12-43-220(c)(1). The county assessor is expressly authorized under Section 12-43-220(c)(2)(iv)(C) to require additional proof necessary to determine eligibility for the legal residence classification, which may include the trust document itself.[14]

CONCLUSION:

A county assessor is responsible for determining whether a legal residence is eligible for the special property tax assessment ratio of four percent and is authorized to require sufficient proof to make such a determination. For purposes of determining whether the owner-occupant is the "income beneficiary" occupying the property as required by Section 12-43-220(c)(1), the county assessor may require submission of the trust document.

[14] Section 62-7-1013 permits a third-party to rely on a certification of trust. This provision provides for certain information that may be provided as part of the certification of trust to reduce the need for a third-party to request a copy of the complete trust instrument. However, such certification provided for by Section 62-7-1013 is insufficient for the determination of whether a legal residence is eligible for the special property assessment ratio as required by Section 12-43-220(c). While a trust document may be confidential in nature, it is no more confidential than copies of federal and state tax returns, which the statute expressly lists as documents the county assessor may require.