



# Marion County Capital Projects Sales Tax Audit

*May 1, 2021-June 30, 2024*

May 13, 2025

South Carolina Department of Revenue  
300A Outlet Point Boulevard  
Columbia, South Carolina 29210

## **I. INTRODUCTION**

The South Carolina Department of Revenue (Department) conducted an audit of the Marion County Capital Projects Sales Tax. The Department has a duty to ensure public accountability and transparency regarding the expenditures of the Capital Projects Sales Tax revenue collected, by utilizing its authority as the administrator of the tax.

## **II. AUDIT OBJECTIVE & SCOPE**

The purpose of this audit was to perform an independent and objective compliance audit of the Marion County Capital Projects Sales Tax. The audit scope included review of the expenditures and collection of the sales tax revenue for the period from May 1, 2021 to June 30, 2024.

## **III. BACKGROUND**

The Capital Projects Sales Tax Act (SC Code Section 4-10-300) empowers counties to impose, pursuant to a referendum, a sales and use tax not to exceed 1% within its jurisdiction for a specific purpose or purposes and for a specific period of time. The revenue from the tax is to be used to pay for capital projects provided in the resolution and included in the referendum question directly, to service general obligation bond debt incurred by the county for such improvements, or a combination of these purposes.

In the 2018 General Election Marion County voters approved a referendum on the imposition of the 1% Sales and Use tax for a period of eight years beginning May 1, 2021 through June 30, 2024.

## **IV. AUDIT SUMMARY**

As noted in the 2018 referendum, all revenue received from the sales and use tax would be used to pay the costs of the capital projects and to pay debt service on general obligation bonds, if any, issued by Marion County to fund the capital projects.

Marion County issued \$14,160,000 in General Obligation (GO) Bonds and put those proceeds in an account 'Capital Sales Project 2'. These proceeds were used to pay only on capital projects approved in the referendum. A separate account, 'Local Option Capital Sales Tax' was used for the collected penny tax revenue and used to pay on the debt service for the GO Bonds.

To verify collections, we compared the deposit amounts on Marion County's general ledger to the South Carolina Department of Revenue's Allocation Report. We also verified these funds were accounted for in the Local Option Capital Sales Tax account. To verify expenses, we reviewed all withdrawals from the Capital Sales Project 2 account as well as capital project transactions from the general ledger and verified supporting invoices. Debt service on the general obligation bonds

## V. TAX COLLECTION

Marion County collected \$10,071,203.24 in 1% Capital Projects Sales and Use Tax for the audit period. Below is a list of the Marion County projects as approved by the 2018 referendum that reflects the actual expenditures from May 2021 through June 2024.

<b>Marion County Capital Projects Through 6/30/2024</b>				
<b>Project Name</b>	<b>Budget</b>	<b>Actual Expenditures</b>	<b>Variance</b>	<b>Project Status</b>
(1) E911 Emergency Mgmt Improvements & Upgrades (Marion County)	\$ 6,000,000	\$ 4,642,962	\$ 1,357,038	Completed
(2) Detention Center/Sheriff's Office-Phase I (Marion County)	2,500,000	2,428,791	71,209	Completed
(3) Green Street Sports Complex (City of Marion)	1,536,025	1,576,961	(40,936)	Completed
(4) Marion City Hall Renovations	463,975	476,930	(12,955)	Completed
(5) Park Street Gym Renovations (City of Mullins)	953,995	938,605	15,390	Completed
(6) Recreation Center Tennis Court Renovations (City of Mullins)	437,500	351,631	85,869	Completed
(7) Marion County Library Headquarters Renovations (Marion County)	1,500,000	-	1,500,000	Not Started
(8) Centennial Park Amphitheatre (Town of Nichols)	474,250	-	474,250	Not Started
(9) Sellers Outdoor Wellness Center (Town of Sellers)	112,000	-	112,000	Not Started
(10) Marion County Recreational Facilities Expansion	524,000	-	524,000	Not Started
(11) Marion County Airport Expansion	1,250,000	679,208	570,792	In process
(12) Detention Center/Sheriff's Office-Phase II (Marion County)	2,500,000	297,380	2,202,620	In process
<b>Total</b>	<b>\$ 18,251,745</b>	<b>\$ 11,392,468</b>	<b>\$ 6,859,277</b>	

## VI. CONCLUSION

For the audit period, this audit concludes that Marion County is in compliance with the Capital Projects Sales and Use Tax Act and the 2018 referendum. The Capital Projects Sales and Use Tax revenue was utilized exclusively for projects identified in the 2018 referendum or for the repayment of debt service.

## **VII. RECOMMENDATION**

The Department recommends Marion County request timely withdrawals from the CPST account using a transfer request form, indicating a breakdown of the funds and including appropriate levels of approval. This process will increase transparency and aid in understanding when and how the funds in the CPST account are being spent.