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

SC INFORMATION LETTER #95-23 (TAX)

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Millage Imposed for School Operations
(Property Tax)

DATE: November 13, 1995

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

REFERENCE: S. C. Code Ann. Section 12-37-251 (1995)

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

SCOPE: An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

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Act No. 145, Section 119, dealing with property tax relief, became effective June 29, 1995. Code Section 12-37-251 was added as part of this Act.

Code Section 12-37-251(A) provides a property tax exemption for certain property owners and reads:

Property classified pursuant to Section 12-43-220(c) is **exempt from property taxes levied for other than bonded indebtedness and payments pursuant to lease-purchase agreements for capital construction. 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 Department of Revenue and Taxation based on the amount available in the State Property Tax Relief Fund [emphasis added.]

The question has arisen as to what the term "operations" means for purposes of this exemption.

The Department determined the term "school" must relate to "school districts" since total school revenues lost as a result of the exemption are to be reimbursed to the school districts. See Information Letter #95-22.

It is a general rule that the courts, in the interpretation of a statute, may not take, strike, or read anything out of a statute, or delete, subtract, or omit anything therefrom. To the contrary, it is a cardinal rule of statutory construction that significance and effect should, if possible, be accorded to every word, sentence, and part of an act. 73 Am.Jur.2D Statutes Section 200.

In reading each sentence of Code Section 12-37-251(A) together, the Department concludes that the term "operations" does **not** include expenditures for bonded indebtedness and payments pursuant to lease-purchase agreements for capital construction. Therefore, the exemption applies against millage imposed for school district operations of grades K through 12 including payments pursuant to lease-purchase agreements other than for capital construction.