



**THE SOUTH CAROLINA TAX SWAP:
THE ESTIMATED IMPACT OF ACT 388 ON HOMEOWNERS AND RENTERS**

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On May 31, 2006 the South Carolina General Assembly adopted Act 388 (H. 4449, Rat. #0417), which raises the state retail sales tax from 5 cents to 6 cents. This revenue will be used to fully fund property tax relief from school taxes for owner-occupied residential property. The legislation also reduces the retail sales tax on unprepared food to 3 cents, among other things.

The one-cent sales tax rate increase is scheduled to begin on June 1, 2007, and the property tax relief component of this legislation is scheduled to take effect beginning with tax year 2007. The reduction in the sales tax rate on unprepared food takes effect October 1, 2006.

The South Carolina Board of Economic Advisors (BEA) and Office of Economic Research of the State Budget and Control Board have estimated that in fiscal year 2007-08, the additional one percent sales tax will generate \$582.5 million in revenue for the state and the 100 percent property tax exemption for owner-occupied homes will require \$498.6 million (BEA 2006).

This analysis estimates the impact of South Carolina's new property tax reform legislation on homeowners and renters at different income levels and living in different school districts.¹ Table I shows the financial profiles of seven hypothetical families. Each of these seven families represents the average family within quintiles of South Carolina's income distribution. Home values are estimated at two and one-half times income. Combinations of family incomes and home values are used for illustration; some South Carolina school districts will have few, if any, incomes or home values at the highest levels.

¹ This analysis is a refinement of one prepared on May 29, 2006 at the request of South Carolina Representative R. Thayer Rivers. No accompanying report was prepared with the earlier, preliminary work; however, it was discussed in an editorial by Andy Brack in the June 1, 2006 issue of *S.C. Statehouse Report*.

Table 1
Family Income and Housing Profiles by South Carolina Income Quintile, 2006

Profile	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Family income	\$9,361	\$20,590	\$32,530	\$53,710	\$90,450	\$172,000	\$734,000
Home value*	\$23,403	\$51,475	\$81,325	\$134,275	\$226,125	\$430,000	\$1,835,000

Source: McIntyre 2003 and author's calculations.

*Estimated at 2.5 times income.

FINDINGS

The findings focus on the estimated change in tax burden on representative homeowners and renters resulting from the new one-cent increase in the state's retail sales tax rate and the relief from property taxes on school operations (in mills) after implementation of Act 388 of 2006. The change in tax burden was estimated for the 2005-2006 period so that current school mill rates could be used; actual implementation of the property tax relief component of Act 388 will not take place until 2007. Short tables with a cross section of school districts from around the state are included in this section; results for all school districts follow in the appendix.

FINDING: MOST HOMEOWNERS WILL HAVE DECREASED TAX BURDENS

The estimated additional school property tax relief most homeowners receive from the new legislation is likely to be greater than the additional sales tax they pay because of the one-cent increase in the state retail sales tax rate. The reduction in tax burden will be smaller in school districts with lower mill rates than in districts with higher mill rates (Table 2).

Table 2
Estimated Change in Annual Tax Burden (+/-) for the Average Homeowner Family from Act 388

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Beaufort	77.5	-\$24	-\$45	-\$69	-\$166	-\$391	-\$963	-\$4,864
Charleston	91.1	-30	-59	-91	-212	-487	-1,170	-5,835
Greenville	105.4	-37	-73	-114	-260	-587	-1,387	-6,856
Jasper	133.5	-50	-102	-160	-355	-785	-1,815	-8,862
Kershaw	151.2	-58	-120	-189	-415	-910	-2,084	-10,126
Lexington 5	173.6	-69	-143	-225	-490	-1,068	-2,424	-11,726
Richland 1	197.0	-80	-168	-263	-569	-1,233	-2,780	-13,396
Spart'burg 3	220.6	-91	-192	-302	-649	-1,399	-3,138	-15,081
Bamberg 2	248.0	-104	-220	-346	-741	-1,592	-3,555	-17,038
Hampton 2	308.0	-132	-282	-444	-943	-2,015	-4,467	-21,322

* Mills for school operations only.

However, owners of less expensive homes who have higher incomes may pay more in additional sales tax than they receive in additional school property tax relief. This situation will be more likely in school districts where the mill rate is low. It will depend on the family's purchases of taxable goods relative to its income, the price of the house, and the mill rate for local school operations.

For example, consider the average family in the 80th to 95th percentile of the income distribution with an income of \$90,450, as in Table 1, but with a house valued at \$81,325 rather than \$226,125. In the Beaufort County School District this family's annual tax burden would increase by \$29—the difference between additional sales tax payments and additional property tax relief received (Table 3). This family would have an increased tax burden of \$7 in Charleston, where the school operating millage is also relatively low. If this family lived in a school district with a higher mill rate it would still have savings as a result of the new legislation, but these savings would be much smaller than those associated with the higher-valued house.

Table 3
Effect of Home Value and Family Income on
Estimated Change in Homeowner Tax Burden

School District	Home Value	
	Lower	Higher
Family income	\$90,450	\$90,450
Home value	81,325	226,125
Tax burden change (+/-)		
Beaufort	+29	-391
Charleston	+7	-487
Greenville	-16	-587
Jasper	-62	-785
Kershaw	-91	-910
Lexington 5	-127	-1,068
Richland I	-165	-1,233
Spartanburg 3	-204	-1,399
Bamberg 2	-248	-1,592
Hampton 2	-346	-2,015

FINDING: ALL RENTERS WILL HAVE INCREASED TAX BURDENS

All renters will incur higher tax burdens from the one-cent increase in the rate on the state retail sales tax in Act 388. Renters pay property taxes indirectly through their rent. However, rental housing does not qualify for property tax relief (Table 4).

Table 4
Estimated Annual Increase in Sales Tax Burden on Average Homeowner or Renter Family from Act 388

Profile	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Family income	\$9,361	\$20,590	\$32,530	\$53,710	\$90,450	\$172,000	\$734,000
Sales tax pmnts. as % of income @ 5%	3.7%	3.4%	2.9%	2.4%	1.8%	1.2%	0.6%
Estimated sales tax paid @ 5%	\$346	\$700	\$943	\$1,289	\$1,628	\$2,064	\$4,404
Sales tax pmnts. as % of income @ 6%-3%	3.8%	3.6%	3.1%	2.6%	2.0%	1.3%	0.7%
Estimated sales tax paid @ 6%-3%	\$359	\$735	\$1,001	\$1,384	\$1,783	\$2,279	\$5,073
Additional sales tax paid under Act 388	\$12	\$35	\$57	\$95	\$155	\$215	\$669

Source: McIntyre 2003 and author's calculations.

Note: Detail may not add to totals due to rounding.

The total amount of additional sales tax paid under Act 388 rises with income, but sales tax paid as a share of income drops as income rises (McIntyre 2003). Most of the spending by families with lower incomes is on taxable goods such as food, clothes, and household goods. Families with higher incomes spend a larger portion of their incomes on nontaxed services, for example.

FINDING: HOMEOWNERS IN SCHOOL DISTRICTS WITH HIGHER PROPERTY TAX RATES WILL RECEIVE MORE TAX RELIEF THAN THOSE IN LOWER-TAX DISTRICTS

Homeowners in school districts with higher mill rates for school operations will receive more school property tax relief than homeowners in school districts with lower mill rates. This finding applies at any home value (Table 5).

Table 5
Estimated Annual School Property Tax Relief for the Average Homeowner from Act 388

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Beaufort	77.5	\$73	\$160	\$252	\$416	\$701	\$1,333	\$5,689
Charleston	91.1	85	188	296	489	824	1,567	6,687
Greenville	105.4	99	217	343	566	953	1,813	7,736
Jasper	133.5	125	275	434	717	1,208	2,296	9,799
Kershaw	151.2	142	311	492	812	1,368	2,601	11,098
Lexington 5	173.6	163	357	565	932	1,570	2,986	12,742
Richland 1	197.0	184	406	641	1,058	1,782	3,388	14,460
Spart'burg 3	220.6	207	454	718	1,185	1,995	3,794	16,192
Bamberg 2	248.0	232	511	807	1,332	2,243	4,266	18,203
Hampton 2	308.0	288	634	1,002	1,654	2,786	5,298	22,607

* Mills for school operations only.

The school property tax relief received by homeowners in the Beaufort County School District is the lowest among the state's school districts at every home value. Beaufort County School District has the lowest school operating mills among districts statewide (77.5 mills in 2005). On the other hand, Hampton County School District 2 has the state's highest tax rate for school operations at 308 mills in 2005. For the same house value, a homeowner in Hampton 2 will receive four times the dollar amount of property tax relief from the state as one in Beaufort.

This finding raises concern about the long-term distribution of tax relief among school districts under Act 388's school funding formula.

FINDING: HOMEOWNERS WITH MODEST INCOMES AND MODEST HOMES WILL BENEFIT LESS THAN HOMEOWNERS WITH HIGHER INCOMES AND MORE EXPENSIVE HOMES.

Lower income homeowners with less expensive homes will receive a smaller percentage of their income as a reduction in tax burden (additional school property tax relief received less additional sales tax paid) than homeowners with higher incomes and more expensive homes. This finding applies at any property tax rate and works two ways.

At any income level (down columns in Table 6), homeowners in school districts with relatively low mills for school operations will benefit less than their peers in school districts with higher mills. For example, a homeowner in the middle quintile of the income distribution in the Charleston County School District would see a decrease in tax burden of about one-third of one percent of his or her income. In Lexington 5 and Hampton 2, the value of the decrease in tax burden would be higher at 0.7 percent and 1.4 percent of income, respectively.

At any mill rate (across rows in Table 6), higher income homeowners will gain more than lower income homeowners. A homeowner in the lowest income quintile in Charleston County would have a decreased tax burden equal to about one-third of one percent (0.3 percent) of income, for example, but a homeowner in the top 4 percent of income would get relief valued at 0.7 percent of income. Tax burden benefits as a share of income rise most quickly in the top 40 percent of the income distribution.

Table 6
Estimated Annual Decrease in Tax Burden from Act 388
As a Share of Average Homeowner Family Income

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Beaufort	77.5	0.26%	0.22%	0.21%	0.31%	0.43%	0.56%	0.66%
Charleston	91.1	0.32%	0.28%	0.28%	0.40%	0.54%	0.68%	0.79%
Greenville	105.4	0.40%	0.36%	0.35%	0.48%	0.65%	0.81%	0.93%
Jasper	133.5	0.54%	0.50%	0.49%	0.66%	0.87%	1.05%	1.21%
Kershaw	151.2	0.62%	0.58%	0.58%	0.77%	1.01%	1.21%	1.38%
Lexington 5	173.6	0.74%	0.70%	0.69%	0.91%	1.18%	1.41%	1.60%
Richland 1	197.0	0.85%	0.81%	0.81%	1.06%	1.36%	1.62%	1.83%
Spart'burg 3	220.6	0.97%	0.93%	0.93%	1.21%	1.55%	1.82%	2.05%
Bamberg 2	248.0	1.11%	1.07%	1.06%	1.38%	1.76%	2.07%	2.32%
Hampton 2	308.0	1.41%	1.37%	1.36%	1.76%	2.23%	2.60%	2.90%

* Mills for school operations only.

KEY FACTS

South Carolina's current and new property tax relief programs are described briefly below.

PROPERTY TAX

Since 1996, homeowners in South Carolina have received property tax relief from the state on taxes for school operations on the value of their primary residence up to \$100,000. But the South Carolina General Assembly has not fully funded this relief. Current state tax relief is based on the 1995 mill rate, adjusted for subsequent property reassessments. In addition, since 2002 the total amount of relief statewide has been limited to a little over \$249 million.

So today, homeowners only get state-funded tax relief on a portion of the first \$100,000 of their home's value for school property taxes. With a fixed amount of money to go around, the amount of tax relief received by the average homeowner has declined as property values and the number of eligible homeowners has risen.

Act 388 will provide full tax relief from taxes for school operations for homeowners. All owner-occupied homes, no matter their value, are eligible to receive relief. As a result, there will be some additional relief under Act 388 even for homeowners with homes worth less than \$100,000.

In the first year of implementation, most of the revenue for tax relief that school districts receive will be based on the amount that was raised from the property tax in the previous year at the prevailing mill rate. After the first year, Act 388 directs the state to distribute tax relief to school districts on the basis of inflation and school district population. Over time this approach will weaken the relationship between the number of pupils to be served, the strength of the district's owner-occupied residential property tax base, and school district wants and needs.

STATE RETAIL SALES TAX

All homeowners will pay an additional penny of sales tax on their taxable purchases under the new law. Renters, business firms, and nonresidents will also pay the increased sales tax on their taxable purchases. Households spend a smaller share of their income on sales taxes as their income rises (McIntyre 2003).

Unprepared food, eligible for purchase with United States Department of Agriculture food coupons, will be taxed at 3 percent rather than 6 percent under the new law. Households spend a smaller share of their income on unprepared food as their income rises (BLS 2006).

METHODOLOGY

This analysis estimates the change in tax burden of homeowners and renters that is expected to result from implementation of the property tax relief portion of Act 388. It has two separate components.

- 1) Estimates were prepared of the additional spending on the retail sales tax expected to be incurred by representative nonelderly homeowners and renters at different income levels. These estimates are based on statewide income data for 2000 adjusted to 2006 levels. These estimates do not vary by school district.
- 2) Estimates were prepared of the property taxes on school operations expected to be incurred by representative nonelderly homeowners at different income levels, both under the state's current property tax relief program and under Act 388. These estimates are based on 2005 property tax rates and vary by school district.

The net effect of the change in tax burden on homeowners and renters anticipated from Act 388 is defined as the difference between the two totals below:

<u>Current school property tax relief</u>	<u>New school property tax relief (Act 388)</u>
Spending on state retail sales tax @ 5%	Spending on sales tax @ 6%, adjusted for reduction in tax on unprepared food to 3%
---Plus---	---Plus---
Spending on property tax for school operations, adjusted for current tax relief	Spending on property tax for school operations, adjusted for new tax relief

These estimates were prepared for nonelderly homeowners. Data on the share of family income spent on the general retail sales tax was based on nonelderly families, who have different spending patterns (McIntyre 2003). Elderly families tend to spend less on taxable goods and more on nontaxed services, for example.²

The share of family income by income quintile spent on the five percent general retail sales tax in South Carolina was taken from McIntyre (2003). These spending shares were used to generate spending estimates for representative homeowners and renters at the future tax rate of six percent. Data from the Bureau of Labor Statistics' *Consumer Expenditure Survey* (2006) on the share of consumer spending on unprepared food was used to adjust these estimates downward to account for the reduction in the sales tax on unprepared food to three percent.

Property tax estimates for representative homeowners with different home values were generated for South Carolina school districts using actual 2005 mill rates for school operations. (Millage for debt service on school bonds and other local governments is not relevant to this analysis.) Owner-occupied residential property in South Carolina is assessed at four percent of value. The property tax rate in mills is applied to the assessed value to determine the amount of tax to be paid. Current state tax relief on owner-occupied residential property under \$100,000 is assumed to be funded at an average level of 50 percent of the eligible amount based on actual tax bills and consultation with BEA staff.

The property tax relief portion of Act 388 will not be fully implemented until fiscal year 2007-08. The estimates in this report were prepared for the current year to allow use of 2005 school district mill rates.

DATA SOURCES

- McIntyre, Robert S. et al. 2003. *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*, 2nd edition. Washington, D.C.: Institute on Taxation and Economic Policy. <http://www.itepnet.org/whopays.htm>. Average South Carolina family income by income quintiles and the retail sales tax share of income.
- South Carolina. Board of Economic Advisors (BEA). 2006 (June 5). *Statement of Estimated State and Local Revenue Impact*. Prepared for H.B. 4449 as passed by the General Assembly. Columbia, S.C.

² Elderly homeowners in South Carolina also receive additional property tax relief from municipal and county taxes through the homestead exemption, which exempts from taxation the first \$50,000 in market value of a primary residence.

- South Carolina Association of Counties. 2006. *South Carolina Property Tax Rates by County 2005* and personal communication. Columbia, S.C. <http://www.sccounties.org/research/Property%20Tax%20Reports/2005%20Property%20Tax%20Report.pdf>. School district property tax rates.
- United States. Department of Labor. Bureau of Labor Statistics (BLS). 2006. *Consumer Expenditure Survey 2004*. <http://www.bls.gov/cex/>. Consumer spending shares by income quintiles.

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APPENDIX A

Estimated Change in Annual Tax Burden (+/-) from Act 388 for the Average Homeowner Family

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Abbeville	160.0	-\$63	-\$129	-\$203	-\$444	-\$972	-\$2,217	-\$10,755
Aiken	124.0	-\$46	-\$92	-\$144	-\$323	-\$719	-\$1,670	-\$8,184
Allendale	244.0	-\$102	-\$216	-\$340	-\$728	-\$1,564	-\$3,494	-\$16,752
Anderson 1	147.5	-\$57	-\$117	-\$183	-\$402	-\$884	-\$2,027	-\$9,862
Anderson 2	190.2	-\$77	-\$161	-\$252	-\$546	-\$1,185	-\$2,676	-\$12,911
Anderson 3	142.7	-\$54	-\$112	-\$175	-\$386	-\$850	-\$1,954	-\$9,519
Anderson 4	153.4	-\$59	-\$123	-\$192	-\$422	-\$926	-\$2,117	-\$10,283
Anderson 5	163.8	-\$64	-\$133	-\$209	-\$457	-\$999	-\$2,275	-\$11,026
Bamberg 1	205.5	-\$84	-\$176	-\$277	-\$598	-\$1,293	-\$2,909	-\$14,003
Bamberg 2	248.0	-\$104	-\$220	-\$346	-\$741	-\$1,592	-\$3,555	-\$17,038
Barnwell 45	163.0	-\$64	-\$133	-\$208	-\$455	-\$993	-\$2,263	-\$10,969
Barnwell 19 (Blackville 19)	140.0	-\$53	-\$109	-\$170	-\$377	-\$831	-\$1,913	-\$9,327
Barnwell 29 (Williston 29)	153.0	-\$59	-\$122	-\$192	-\$421	-\$923	-\$2,111	-\$10,255
Beaufort	77.5	-\$24	-\$45	-\$69	-\$166	-\$391	-\$963	-\$4,864
Berkeley	167.5	-\$66	-\$137	-\$215	-\$470	-\$1,025	-\$2,331	-\$11,290
Calhoun	136.0	-\$51	-\$105	-\$164	-\$364	-\$803	-\$1,853	-\$9,041
Charleston	91.1	-\$30	-\$59	-\$91	-\$212	-\$487	-\$1,170	-\$5,835
Cherokee	156.0	-\$61	-\$125	-\$196	-\$431	-\$944	-\$2,157	-\$10,469
Chester	172.0	-\$68	-\$142	-\$223	-\$485	-\$1,057	-\$2,400	-\$11,611
Chesterfield	153.9	-\$60	-\$123	-\$193	-\$424	-\$929	-\$2,125	-\$10,322
Clarendon 1	110.2	-\$39	-\$78	-\$122	-\$277	-\$621	-\$1,460	-\$7,199
Clarendon 2	105.1	-\$37	-\$73	-\$114	-\$259	-\$585	-\$1,383	-\$6,835
Clarendon 3	225.0	-\$93	-\$196	-\$309	-\$664	-\$1,430	-\$3,205	-\$15,396
Colleton	87.8	-\$29	-\$55	-\$86	-\$201	-\$463	-\$1,120	-\$5,600
Darlington	154.0	-\$60	-\$123	-\$193	-\$424	-\$930	-\$2,126	-\$10,326
Dillon	149.8	-\$58	-\$119	-\$186	-\$410	-\$900	-\$2,062	-\$10,023
Dorchester 2	135.7	-\$51	-\$104	-\$163	-\$363	-\$801	-\$1,848	-\$9,020
Dorchester 4	204.2	-\$83	-\$175	-\$275	-\$593	-\$1,284	-\$2,889	-\$13,910
Edgefield	177.6	-\$71	-\$148	-\$232	-\$504	-\$1,096	-\$2,485	-\$12,011
Fairfield	171.2	-\$68	-\$141	-\$221	-\$482	-\$1,051	-\$2,388	-\$11,554
Florence 1	140.2	-\$53	-\$109	-\$171	-\$378	-\$833	-\$1,916	-\$9,341
Florence 2	158.0	-\$62	-\$127	-\$200	-\$438	-\$958	-\$2,187	-\$10,612
Florence 3	152.0	-\$59	-\$121	-\$190	-\$418	-\$916	-\$2,096	-\$10,183
Florence 4	126.8	-\$47	-\$95	-\$149	-\$333	-\$738	-\$1,713	-\$8,384
Florence 5	198.8	-\$81	-\$169	-\$266	-\$575	-\$1,245	-\$2,807	-\$13,525
Georgetown	123.2	-\$45	-\$92	-\$143	-\$320	-\$713	-\$1,658	-\$8,127
Greenville	105.4	-\$37	-\$73	-\$114	-\$260	-\$587	-\$1,387	-\$6,856
Greenw'd 50	173.5	-\$69	-\$143	-\$225	-\$490	-\$1,067	-\$2,423	-\$11,718
Greenw'd 51	186.0	-\$75	-\$156	-\$245	-\$532	-\$1,155	-\$2,613	-\$12,611
Greenw'd 52	170.7	-\$68	-\$140	-\$220	-\$481	-\$1,048	-\$2,380	-\$11,519
Hampton 1	210.0	-\$86	-\$181	-\$284	-\$613	-\$1,324	-\$2,977	-\$14,325
Hampton 2	308.0	-\$132	-\$282	-\$444	-\$943	-\$2,015	-\$4,467	-\$21,322

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest	Second	Middle	Fourth	Next	Next	Top
		20%	20%	20%	20%	15%	4%	1%
Horry	101.7	-\$35	-\$69	-\$108	-\$248	-\$561	-\$1,331	-\$6,592
Jasper	133.5	-\$50	-\$102	-\$160	-\$355	-\$785	-\$1,815	-\$8,862
Kershaw	151.2	-\$58	-\$120	-\$189	-\$415	-\$910	-\$2,084	-\$10,126
Lancaster	147.0	-\$56	-\$116	-\$182	-\$401	-\$881	-\$2,020	-\$9,826
Laurens 55	152.0	-\$59	-\$121	-\$190	-\$418	-\$916	-\$2,096	-\$10,183
Laurens 56	152.0	-\$59	-\$121	-\$190	-\$418	-\$916	-\$2,096	-\$10,183
Lee	155.0	-\$60	-\$124	-\$195	-\$428	-\$937	-\$2,141	-\$10,398
Lexington 1	213.1	-\$87	-\$184	-\$289	-\$623	-\$1,346	-\$3,024	-\$14,546
Lexington 2	143.4	-\$55	-\$112	-\$176	-\$389	-\$855	-\$1,965	-\$9,569
Lexington 3	200.9	-\$82	-\$172	-\$270	-\$582	-\$1,260	-\$2,839	-\$13,675
Lexington 4	214.2	-\$88	-\$185	-\$291	-\$627	-\$1,354	-\$3,041	-\$14,624
Lexington 5	173.6	-\$69	-\$143	-\$225	-\$490	-\$1,068	-\$2,424	-\$11,726
Marion 1	158.0	-\$62	-\$127	-\$200	-\$438	-\$958	-\$2,187	-\$10,612
Marion 2	158.0	-\$62	-\$127	-\$200	-\$438	-\$958	-\$2,187	-\$10,612
Marion 7	191.0	-\$77	-\$161	-\$253	-\$549	-\$1,191	-\$2,689	-\$12,968
Marlboro	147.0	-\$56	-\$116	-\$182	-\$401	-\$881	-\$2,020	-\$9,826
McCormick	133.6	-\$50	-\$102	-\$160	-\$355	-\$786	-\$1,816	-\$8,870
Newberry	195.7	-\$79	-\$166	-\$261	-\$565	-\$1,224	-\$2,760	-\$13,304
Oconee	125.1	-\$46	-\$94	-\$146	-\$327	-\$726	-\$1,687	-\$8,263
Orangeburg 3	178.0	-\$71	-\$148	-\$232	-\$505	-\$1,099	-\$2,491	-\$12,040
Orangeburg 4	152.0	-\$59	-\$121	-\$190	-\$418	-\$916	-\$2,096	-\$10,183
Orangeburg 5	200.0	-\$81	-\$171	-\$268	-\$579	-\$1,254	-\$2,825	-\$13,611
Pickens	118.0	-\$43	-\$86	-\$135	-\$303	-\$676	-\$1,579	-\$7,756
Richland 1	197.0	-\$80	-\$168	-\$263	-\$569	-\$1,233	-\$2,780	-\$13,396
Richland 2	190.7	-\$77	-\$161	-\$253	-\$548	-\$1,188	-\$2,684	-\$12,947
Saluda 77	159.3	-\$62	-\$129	-\$202	-\$442	-\$967	-\$2,207	-\$10,705
Spartanburg 1	218.7	-\$90	-\$190	-\$298	-\$642	-\$1,386	-\$3,110	-\$14,946
Spartanburg 2	175.3	-\$70	-\$145	-\$228	-\$496	-\$1,080	-\$2,450	-\$11,847
Spartanburg 3	220.6	-\$91	-\$192	-\$302	-\$649	-\$1,399	-\$3,138	-\$15,081
Spartanburg 4	177.6	-\$71	-\$148	-\$232	-\$504	-\$1,096	-\$2,485	-\$12,011
Spartanburg 5	168.0	-\$66	-\$138	-\$216	-\$471	-\$1,029	-\$2,339	-\$11,326
Spartanburg 6	147.1	-\$57	-\$116	-\$182	-\$401	-\$881	-\$2,021	-\$9,834
Spartanburg 7	201.7	-\$82	-\$172	-\$271	-\$585	-\$1,266	-\$2,851	-\$13,732
Sumter 17	145.1	-\$56	-\$114	-\$179	-\$394	-\$867	-\$1,991	-\$9,691
Sumter 2	146.8	-\$56	-\$116	-\$182	-\$400	-\$879	-\$2,017	-\$9,812
Union	167.9	-\$66	-\$138	-\$216	-\$471	-\$1,028	-\$2,337	-\$11,319
Williamsburg	129.0	-\$48	-\$98	-\$153	-\$340	-\$754	-\$1,746	-\$8,541
York 2 (Clover 2)	162.0	-\$63	-\$132	-\$206	-\$451	-\$986	-\$2,248	-\$10,897
York 4 (Fort Mill 4)	164.5	-\$65	-\$134	-\$210	-\$460	-\$1,004	-\$2,286	-\$11,076
York 3 (Rock Hill 3)	155.8	-\$61	-\$125	-\$196	-\$430	-\$943	-\$2,154	-\$10,455
York 1	169.9	-\$67	-\$140	-\$219	-\$478	-\$1,042	-\$2,368	-\$11,461
MEDIAN	158.0	-\$62	-\$127	-\$200	-\$438	-\$958	-\$2,187	-\$10,612

* Mills for school operations only.

APPENDIX B

Estimated Annual Decrease in Tax Burden from Act 388 as a Share of Average Homeowner Family Income

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Abbeville	160.0	0.67%	0.63%	0.62%	0.83%	1.07%	1.29%	1.47%
Aiken	124.0	0.49%	0.45%	0.44%	0.60%	0.79%	0.97%	1.12%
Allendale	244.0	1.09%	1.05%	1.04%	1.35%	1.73%	2.03%	2.28%
Anderson 1	147.5	0.61%	0.57%	0.56%	0.75%	0.98%	1.18%	1.34%
Anderson 2	190.2	0.82%	0.78%	0.77%	1.02%	1.31%	1.56%	1.76%
Anderson 3	142.7	0.58%	0.54%	0.54%	0.72%	0.94%	1.14%	1.30%
Anderson 4	153.4	0.64%	0.60%	0.59%	0.79%	1.02%	1.23%	1.40%
Anderson 5	163.8	0.69%	0.65%	0.64%	0.85%	1.10%	1.32%	1.50%
Bamberg 1	205.5	0.90%	0.86%	0.85%	1.11%	1.43%	1.69%	1.91%
Bamberg 2	248.0	1.11%	1.07%	1.06%	1.38%	1.76%	2.07%	2.32%
Barnwell 45	163.0	0.68%	0.64%	0.64%	0.85%	1.10%	1.32%	1.49%
Barnwell 19 (Blackville 19)	140.0	0.57%	0.53%	0.52%	0.70%	0.92%	1.11%	1.27%
Barnwell 29 (Williston 29)	153.0	0.63%	0.59%	0.59%	0.78%	1.02%	1.23%	1.40%
Beaufort	77.5	0.26%	0.22%	0.21%	0.31%	0.43%	0.56%	0.66%
Berkeley	167.5	0.71%	0.67%	0.66%	0.87%	1.13%	1.36%	1.54%
Calhoun	136.0	0.55%	0.51%	0.50%	0.68%	0.89%	1.08%	1.23%
Charleston	91.1	0.32%	0.28%	0.28%	0.40%	0.54%	0.68%	0.79%
Cherokee	156.0	0.65%	0.61%	0.60%	0.80%	1.04%	1.25%	1.43%
Chester	172.0	0.73%	0.69%	0.68%	0.90%	1.17%	1.40%	1.58%
Chesterfield	153.9	0.64%	0.60%	0.59%	0.79%	1.03%	1.24%	1.41%
Clarendon 1	110.2	0.42%	0.38%	0.37%	0.52%	0.69%	0.85%	0.98%
Clarendon 2	105.1	0.39%	0.35%	0.35%	0.48%	0.65%	0.80%	0.93%
Clarendon 3	225.0	0.99%	0.95%	0.95%	1.24%	1.58%	1.86%	2.10%
Colleton	87.8	0.31%	0.27%	0.26%	0.37%	0.51%	0.65%	0.76%
Darlington	154.0	0.64%	0.60%	0.59%	0.79%	1.03%	1.24%	1.41%
Dillon	149.8	0.62%	0.58%	0.57%	0.76%	0.99%	1.20%	1.37%
Dorchester 2	135.7	0.55%	0.51%	0.50%	0.68%	0.89%	1.07%	1.23%
Dorchester 4	204.2	0.89%	0.85%	0.84%	1.10%	1.42%	1.68%	1.90%
Edgefield	177.6	0.76%	0.72%	0.71%	0.94%	1.21%	1.44%	1.64%
Fairfield	171.2	0.72%	0.68%	0.68%	0.90%	1.16%	1.39%	1.57%
Florence 1	140.2	0.57%	0.53%	0.52%	0.70%	0.92%	1.11%	1.27%
Florence 2	158.0	0.66%	0.62%	0.61%	0.82%	1.06%	1.27%	1.45%
Florence 3	152.0	0.63%	0.59%	0.58%	0.78%	1.01%	1.22%	1.39%
Florence 4	126.8	0.50%	0.46%	0.46%	0.62%	0.82%	1.00%	1.14%
Florence 5	198.8	0.86%	0.82%	0.82%	1.07%	1.38%	1.63%	1.84%
Georgetown	123.2	0.48%	0.44%	0.44%	0.60%	0.79%	0.96%	1.11%
Greenville	105.4	0.40%	0.36%	0.35%	0.48%	0.65%	0.81%	0.93%
Greenw'd 50	173.5	0.74%	0.70%	0.69%	0.91%	1.18%	1.41%	1.60%
Greenw'd 51	186.0	0.80%	0.76%	0.75%	0.99%	1.28%	1.52%	1.72%
Greenw'd 52	170.7	0.72%	0.68%	0.68%	0.89%	1.16%	1.38%	1.57%
Hampton 1	210.0	0.92%	0.88%	0.87%	1.14%	1.46%	1.73%	1.95%
Hampton 2	308.0	1.41%	1.37%	1.36%	1.76%	2.23%	2.60%	2.90%

School District	Mills 2005*	Bottom 80% of Income Distribution				Top 20% of Income Distribution		
		Lowest	Second	Middle	Fourth	Next	Next	Top
		20%	20%	20%	20%	15%	4%	1%
Horry	101.7	0.38%	0.34%	0.33%	0.46%	0.62%	0.77%	0.90%
Jasper	133.5	0.54%	0.50%	0.49%	0.66%	0.87%	1.05%	1.21%
Kershaw	151.2	0.62%	0.58%	0.58%	0.77%	1.01%	1.21%	1.38%
Lancaster	147.0	0.60%	0.56%	0.56%	0.75%	0.97%	1.17%	1.34%
Laurens 55	152.0	0.63%	0.59%	0.58%	0.78%	1.01%	1.22%	1.39%
Laurens 56	152.0	0.63%	0.59%	0.58%	0.78%	1.01%	1.22%	1.39%
Lee	155.0	0.64%	0.60%	0.60%	0.80%	1.04%	1.24%	1.42%
Lexington 1	213.1	0.93%	0.89%	0.89%	1.16%	1.49%	1.76%	1.98%
Lexington 2	143.4	0.59%	0.55%	0.54%	0.72%	0.95%	1.14%	1.30%
Lexington 3	200.9	0.87%	0.83%	0.83%	1.08%	1.39%	1.65%	1.86%
Lexington 4	214.2	0.94%	0.90%	0.89%	1.17%	1.50%	1.77%	1.99%
Lexington 5	173.6	0.74%	0.70%	0.69%	0.91%	1.18%	1.41%	1.60%
Marion 1	158.0	0.66%	0.62%	0.61%	0.82%	1.06%	1.27%	1.45%
Marion 2	158.0	0.66%	0.62%	0.61%	0.82%	1.06%	1.27%	1.45%
Marion 7	191.0	0.82%	0.78%	0.78%	1.02%	1.32%	1.56%	1.77%
Marlboro	147.0	0.60%	0.56%	0.56%	0.75%	0.97%	1.17%	1.34%
McCormick	133.6	0.54%	0.50%	0.49%	0.66%	0.87%	1.06%	1.21%
Newberry	195.7	0.85%	0.81%	0.80%	1.05%	1.35%	1.60%	1.81%
Oconee	125.1	0.49%	0.45%	0.45%	0.61%	0.80%	0.98%	1.13%
Orangeburg 3	178.0	0.76%	0.72%	0.71%	0.94%	1.21%	1.45%	1.64%
Orangeburg 4	152.0	0.63%	0.59%	0.58%	0.78%	1.01%	1.22%	1.39%
Orangeburg 5	200.0	0.87%	0.83%	0.82%	1.08%	1.39%	1.64%	1.85%
Pickens	118.0	0.46%	0.42%	0.41%	0.56%	0.75%	0.92%	1.06%
Richland 1	197.0	0.85%	0.81%	0.81%	1.06%	1.36%	1.62%	1.83%
Richland 2	190.7	0.82%	0.78%	0.78%	1.02%	1.31%	1.56%	1.76%
Saluda 77	159.3	0.66%	0.63%	0.62%	0.82%	1.07%	1.28%	1.46%
Spartanburg 1	218.7	0.96%	0.92%	0.92%	1.20%	1.53%	1.81%	2.04%
Spartanburg 2	175.3	0.74%	0.71%	0.70%	0.92%	1.19%	1.42%	1.61%
Spartanburg 3	220.6	0.97%	0.93%	0.93%	1.21%	1.55%	1.82%	2.05%
Spartanburg 4	177.6	0.76%	0.72%	0.71%	0.94%	1.21%	1.44%	1.64%
Spartanburg 5	168.0	0.71%	0.67%	0.66%	0.88%	1.14%	1.36%	1.54%
Spartanburg 6	147.1	0.60%	0.56%	0.56%	0.75%	0.97%	1.18%	1.34%
Spartanburg 7	201.7	0.88%	0.84%	0.83%	1.09%	1.40%	1.66%	1.87%
Sumter 17	145.1	0.59%	0.55%	0.55%	0.73%	0.96%	1.16%	1.32%
Sumter 2	146.8	0.60%	0.56%	0.56%	0.74%	0.97%	1.17%	1.34%
Union	167.9	0.71%	0.67%	0.66%	0.88%	1.14%	1.36%	1.54%
Williamsburg	129.0	0.51%	0.47%	0.47%	0.63%	0.83%	1.02%	1.16%
York 2 (Clover 2)	162.0	0.68%	0.64%	0.63%	0.84%	1.09%	1.31%	1.48%
York 4 (Fort Mill 4)	164.5	0.69%	0.65%	0.65%	0.86%	1.11%	1.33%	1.51%
York 3 (Rock Hill 3)	155.8	0.65%	0.61%	0.60%	0.80%	1.04%	1.25%	1.42%
York 1	169.9	0.72%	0.68%	0.67%	0.89%	1.15%	1.38%	1.56%
MEDIAN	158.0	0.66%	0.62%	0.61%	0.82%	1.06%	1.27%	1.45%

* Mills for school operations only.

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