



BEAUFORT, SC

REGIONAL CHAMBER OF COMMERCE

The Beaufort Regional Chamber of Commerce support modifying the allocation formula for public education funding using criteria other than a school system's ability to raise revenue through property tax to a system where all students receive equitable funding.

After residential property tax reform (Act 388) passed the South Carolina General Assembly in 2006, a substantial tax was shifted to the business community for funding state schools, ultimately making South Carolina less competitive in recruiting and retaining new businesses. Because the General Assembly is not allowing the 2009-established Tax Realignment Commission to evaluate Act 388, the South Carolina Chamber is calling for the repeal of Act 388.

We must improve the state's tax system to remain competitive in business and job creation. There are two specific pieces of our current tax system where the Chamber sees need for reform.

The first is business property taxes. Act 388 has pushed the property tax burden for school operations and maintenance disproportionately to businesses, forcing school districts to use businesses as their primary source of revenue. This unfair burden has negatively impacted both businesses and school districts and needs to be reformed.

The Chamber of Commerce supports legislation to address the consequences of Act 388, which includes:

- Reducing the manufacturing property tax rate from 10%
- Reduction of non-owner occupied property tax burden
- Protecting fee-in-lieu agreements