Tax cut urged for second homes

Pickens sees growing tax base as priority

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A Pickens County Council committee will recommend the full council throw its support behind a resolution urging state lawmakers to change tax laws so people won't pay a higher rate for a second home in the mountains.

At the heart of the matter is the state's longstanding practice of taxing a primary residence at 4 percent of its assessed value and all other real estate at 6 percent. Members of the Administration and Finance Committee said the higher tax rate thwarts efforts to grow the Pickens County tax base.

The inequity was compounded by the 2007 Real Property Reform Act, which lowered some tax bills by removing school taxes from primary residences, but not from second homes.

"We're the ones that are going to be impacted by it, but we're thinking that's better long term," said committee chairman G. Neil Smith. "It's that old — you get 6 percent of the few, or 4 percent of a larger number."

Committee members Smith, Jennifer Willis and Sam Wyche all commented on a Strom Thurmond Institute study, released in November, of property-tax rates in several Southeastern states.

According to that study, someone who owns a $100,000 rental or second home in Pickens County will pay $1,048 more per year in property taxes than he would on the same home if it was his primary residence.

Among the study's conclusions, "South Carolina has by far the largest difference in property taxes on owner-occupied residential property compared to taxes on rental or second-home residential property of equal market value."

Smith said the higher tax rate concerns investors because "you can't buy property because that 6 percent assessment is killing you," Smith said. "It kills us."

The resolution will be presented to the full council at its Dec. 21 meeting.