



## Essential Tax Strategies for Property Owners in South Carolina: A Guide to Q4 Tax Mastery

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The fourth quarter is a good time for property owners to review their annual property tax bill, evaluate its fairness, and assess opportunities to pursue reductions in liability. Burr & Forman often assists taxpayers in this process.

In South Carolina, a taxpayer can file a property tax appeal in any tax year. However, the mechanics of a property tax appeal differ significantly from county to county based on the timing of the regularly scheduled reassessment.

Counties are required to reassess all properties once every five years on the basis of the value on December 31 of the prior tax year, and counties in South Carolina are not all on the same reassessment schedule.

For example, if 2023 is a reassessment year, the relevant valuation date for an appeal is December 31, 2022. However, if the most recent county-wide reassessment was in 2019, the relevant valuation date for a current-year appeal would be December 31, 2018. Identifying the taxable value and relevant valuation date is the first step in evaluating a potential property tax appeal.

The next step is for the taxpayer to obtain an appraisal or, if one is already in hand, confirm that it can be submitted by the taxpayer as part of a property tax appeal. It is sometimes necessary to obtain the written authorization of the appraiser for this use if the appraisal was initially obtained for another purpose, such as financing.

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The likelihood of succeeding in a property tax appeal is largely dependent upon the quality of an appraisal and the willingness of the appraiser to defend his or her findings. The appraiser typically has to defend the methodology which is given the most priority in the appraisal.

The substance of a tax appeal hearing often involves an appraiser for the taxpayer and an appraiser for the taxing authority arguing as to whether a cost approach, income approach, or sales approach is the most appropriate appraisal methodology.

A cost approach involves determining the value on the basis of the cost to construct a similar property. An income approach incorporates cap rates and values a property on the basis of the income that results from it to its owner. A sales approach determines value on the basis of fair market sales of comparable properties.

Any property tax review should also include an evaluation of whether a capped value is applicable, applied correctly and whether the taxpayer qualifies for any other exemptions or alternative tax rates, such as agricultural, which may require a timely application. For further guidance, please contact your Burr Forman real estate attorney.