

SOUTH CAROLINA PROPERTY TAXES FOR BOATS

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In an effort to clarify the confusion on the taxation of boats in South Carolina, the South Carolina Marine Association has prepared the following summary of taxes as well as where to find the information for the different counties.

BOATS ARE NOT SUBJECT TO PERSONAL PROPERTY TAX UNLESS THEY ARE IN THE STATE FOR 180 DAYS OR MORE. This applies to all coastal counties in the state.

Tax Valuation: Boats are taxed on 10.5% of their assessed value – ***No, the tax is not 10.5% of the boat's value*** – only 10.5% of the boat's value is taxed. The local millage rate determines the actual tax. This works out to about about 1.2% of the boat's value in some counties. The 10.5% rate is set in the State's Constitution.

In certain counties, a qualifying boat may be claimed as a primary residence and the tax is based on 4% of the boat's value. A qualifying boat may be claimed as a second home and the tax is based on 6% of the boat's value. Individual counties may also reduce the tax to the 6% level on all boats by local county ordinance.

You will receive your tax bill in October for that year's taxes, due in January of the next year. If you sell your boat during the year, you are responsible for taxes for the entire year. The only exception is that if you sell to someone in the same county, you can pro rate the taxes between buyer and seller upon completion of the proper paperwork.

If you claim your boat as a primary or secondary residence, **you must file an application** for the reduced rate annually with the county auditor. Most of the auditors' websites have an online application form.

BEAUFORT COUNTY: Vessels must be in the state 180 days or more to be taxable. All boats are taxed on the equivalent of 6% of the boat's value unless it is a primary residence when the 4% rate applies.

CHARLESTON COUNTY: Vessels must be in the state 180 days or more to be taxable. Boats qualifying as primary residences are taxed on 4% of the value; boats qualifying as secondary residences are taxed on 6% of the value upon application to the Auditor's Office.

FLORENCE COUNTY: All boats are taxed on the equivalent of 6% of the boat's value.

GEORGETOWN COUNTY: Vessels must be in the state 180 days or more to be taxable. Boats qualifying as primary residences are taxed on 4% of the value; boats qualifying as secondary residences are taxed on 6% of the value upon application to the Auditor's Office.

HORRY COUNTY: Vessels must be in the state 180 days or more to be taxable. All boats are taxed on the equivalent of 6% of the boat's value unless it is a primary residence when the 4% rate applies.

Below are the sections of South Carolina law that apply to the above provisions:

SECTION 12-37-210. Property which is taxable. [SC ST SEC 12-37-210]

All real and personal property in this State, personal property of residents of this State which may be kept or used temporarily out of the State with the intention of bringing it into the State, or which has been sent out of the State for sale and not yet sold, and all moneys, credits and investments in bonds, stocks, joint-stock companies or otherwise of persons resident in this State shall be subject to taxation.

(b) By ordinance, a governing body of a county may exempt from the property tax, forty-two and 75/100 percent of the fair market value of a watercraft and its motor. This exemption for a watercraft motor applies whether the motor is located in, attached to, or detached from the watercraft. This exemption does not apply to a boat or watercraft classified for property tax purposes as a primary or secondary residence pursuant to Section 12-37-224.

Section 12-37-224. Motor homes or trailers for recreational travel; boats or watercraft with certain features [SC ST SEC 12-37-224]

(B)(1) A person who owns a boat or watercraft that contains a cooking area with an onboard power source, a toilet with exterior evacuation, and a sleeping quarter, may claim one boat or watercraft as a primary residence and one boat or watercraft as a secondary residence for purposes of ad valorem property taxation in this State. The fair market value of the boat or watercraft classified for property tax purposes as a primary or secondary residence pursuant to this section must be determined in the manner that motor vehicles are valued for property tax purposes. A boat or watercraft classified for property tax purposes as a primary or secondary residence pursuant to this section is not a watercraft or motor for purposes of Section 12-37-220(B)(38).

(B)(2) Only an individual may claim a qualifying boat or watercraft as his primary residence for purposes of ad valorem property taxation. The individual or his agent must certify the qualifying boat or watercraft as his primary residence pursuant to Section 12-43-220(c)(2)(iv). One other qualifying boat or watercraft owned by an individual that cannot be considered a primary residence, or one other qualifying boat or watercraft owned by another person shall be considered a secondary residence for purposes of ad valorem property taxation.

(B)(3) For purposes of this subsection a person includes an individual, a sole proprietorship, partnership, and an "S" corporation, including a limited liability company taxed as a sole proprietorship, partnership or "S" corporation.

Section 12-37-714. Boats with situs in State; boat or motor under contract for repairs (SC ST SEC 12-37-714. In addition to any other provisions of law subjecting boats and boat motors to property tax in this State:

(1) A boat, including its motor if the motor is separately taxed, **used in interstate commerce** having a tax situs in this State and at least one other state is subject to property tax in this State. The value of such boat must be determined based on the fair market value of the boat multiplied by a fraction representing the number of days present in this State. The fraction is determined by dividing the number of days the boat was present in this State by three hundred sixty-five days. A boat used in interstate commerce must be physically present in this State for thirty days in the aggregate in a property tax year to become subject to ad valorem taxation.

(2) A boat, including its motor if the motor is separately taxed, which is not currently taxed in this State and is not used exclusively in interstate commerce, **is subject to property tax** in this State if it is present within this State **for sixty consecutive days or for ninety days in the aggregate** in a property tax year. Upon an ordinance passed by the local governing body, **a county may** subject a boat, including its motor if the motor is separately taxed, to property tax if it is within this State for **ninety days in the aggregate, regardless of the number of consecutive days**. Also, upon an ordinance passed by the local governing body, **a county may increase the number of days** in the aggregate a boat, including its motor if the motor is taxed separately, must be in this State to be subject to property tax **to one hundred eighty days** in a property tax year, regardless of the number of consecutive days. Upon written request by a tax official, the owner must provide documentation or logs relating to the whereabouts of the boat in question. Failure to produce requested documents creates a rebuttable presumption that the boat in question is taxable within this State.

(3) When a boat, or motor if separately taxed, is subject to a **written contract for repairs** and located in a marine repair facility in this State, the **time periods** pursuant to items (1) and (2) of this section **are tolled**.

LOCAL ORDINANCES & CONTACT INFORMATION

BEAUFORT COUNTY: The reduction to 6% of the value of all boats is in the Beaufort Code of Ordinances under Sec. 66-58 (Ord. No. 2008/39, approved 11-10-2008). The tax situs (180 aggregate days in a tax year) is found under Sec. 66-59 (Ord. No. 2008/49, approved 11-10-2008). For general boat tax questions, contact the Auditor's Office at 843.255.2500. To apply for primary residence status for your boat, you must submit an application to the Assessor's Office to transfer the boat to real instead of personal property. Contact 843.255.2400.

CHARLESTON COUNTY: The tax situs (180 days in a tax year) is Ordinance #1576, adopted on 3-3-2009. Charleston allows boats to be declared primary or secondary homes under SC Statute 12-37-224. To apply for secondary residence status for your boat, and for other boat taxation questions, contact the Auditor's Office at 843.958.4200. An online form that must be completed annually can be found at

<http://www.charlestoncounty.org/departments/auditor/forms/TaxWaterCraft.asp>. To apply for primary residence, contact the Assessor's Office at 843.958.4100.

FLORENCE COUNTY: The provisions of SC Code Section 12-37-224 are extended to all qualifying boats located and registered in Florence County. In addition, the reduction to 6% of the value of all boats was adopted. Both are found in Ord. No. 20-2006/7 and Ord. No. 05-2007/08, Section 1, approved on 9/13/2007. For questions, contact the County Auditor's Office at 843.665.3088.

GEORGETOWN COUNTY: The County Council originally passed an ordinance to allow boats qualifying for primary or secondary residences to apply for the reduction in value. The ordinance was repealed when the SC Legislature adopted SC Statute 12-37-224, on the advice of County Counsel that it was no longer needed. A Watercraft Tax Return form that must be filed annually can be found at www.georgetowncountysc.org/docs/watercraftreturn2-16-2011s.pdf. The tax situs provision (180 days in a tax year) is in Ordinance #2008-84. For other boat tax questions, contact the Auditor's Office at 843.545.3021.

HORRY COUNTY: The tax situs (180 days in a tax year) is under Ord. No. 97-08, adopted on 12-16-08. Owners of a USCG documented vessel, watercraft registered in states other than SC and docked/stored in Horry County, and watercraft registered with SC DNR but owned by non-SC residents and docked/stored in Horry County must file a Watercraft Survey annually. Survey forms and detailed information are available at www.horrycounty.org/depts/finance/auditor.asp#BoatsWatercraft. The county also adopted the option to reduce the tax on all boats to the equivalent of 6% of the boat's value. For other questions, contact the Auditor's office at 843.915.5054.