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SOUTH CAROLINA
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March 20, 2017

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COUNTY
ADMINISTRATION

Mr. Earle Alexander
County Assessor
Spartanburg County
P.O. Box 5762
Spartanburg, SC 29304

Dear Mr. Alexander:

This is in response to your request for a revenue estimate of a 1% local capital project sales tax for Spartanburg County.

Pursuant to Section 4-10-310 of the South Carolina Code of Laws, a county may impose a 1% sale and use tax by referendum for the purpose of capital projects. If the November 2017 referendum is approved, the tax will be effective starting May 1, 2018. Thus, the revenue estimate of the local capital project sales tax for Spartanburg County is provided for FY 2018-19.

We have based our revenue estimate of the local capital project sales tax for Spartanburg County on the net taxable sales in FY 2015-16 as reported by the Department of Revenue. Unprepared food and maximum tax items are exempt under the proposed tax. We examined the collections and net taxable sales from other counties which have imposed the local capital project sales tax in order to adjust for differences between their actual collections and 1% of their net taxable sales. Furthermore, we assume the sales tax growth rates for FY 2016-17 and FY 2017-18 to be 2% and 4.9%, respectively. Based on our analysis, we conclude that a 1% local capital project sales tax would generate approximately \$37,421,097 in FY 2018-19. This estimate is prior to any adjustments made by the SC Department of Revenue for administrative expenses.

If we may be of any further assistance, please advise.

Sincerely,

Frank A. Rainwater
Executive Director

FAR/bjw