

1972 WL 26141 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

April 14, 1972

*1 Additions to a previously constructed building in Spartanburg County does not render the building exempt as a new industrial establishment.

Mr. R. G. Cavanaugh
Industrial Agent
State Development Board
Post Office Box 927
Columbia, South Carolina 29202

Dear Mr. Cavanaugh:

This is in reply to your letter of April 12, 1972, in which you request the opinion of this office on whether the building of a certain industrial establishment should be exempt from Spartanburg County property taxes under Section 65-1570 of the Code.

The facts you describe are that a new industry will acquire an existing building in Spartanburg County and expend approximately \$250,000 on additions to the structure. Without so finding, it is assumed that the \$250,000 expenditure will be for additions which qualify for the exemption. The question presented is whether the existing building will be entitled to the property tax exemption.

Section 65-1570 of the Code provides that 'every new industrial establishment constructed and equipped at a cost of not less than fifty thousand dollars and employing twenty-five or more persons in Spartanburg County shall be exempt from all county taxes, except for school purposes, for five years from the time it would have become liable for such taxes'.

It has been held that a manufacturer's property tax exemption is for the structure and not for the persons who may establish the business. The exemption is not a personal privilege but an immunity attached to specific property. See [Duke Power Co. v. Bell](#), 156 S. C. 299, 152 S. F. 865 citing [Columbia Water Power Company v. Campbell](#), 75 S. C. 47, 54 S. E. 833.

The language of the exemption statute is, of course, crucial in determining whether the existing building will be exempt. In view of the fact that the statute provides that 'every new industrial establishment constructed and equipped' is exempt, it appears that the building, because it is not newly constructed, does not meet the literal wording of the exemption. The language of a tax exemption statute must be given its plain, ordinary meaning and must be construed strictly against the claimed exemption. [Chronicle Publishers, Inc. v. South Carolina Tax Commission](#), 244 S. C. 192, 136 S. E. 2d 261.

It is, therefore, the opinion of this office that the building does not qualify for the property tax exemption provided in Section 65-1570 of the Code.

Very truly yours,

John C. von Lehe
Assistant Attorney General
South Carolina Tax Commission

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