

THE STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
COLUMBIA

OPINION NO. 86-2202

July 1, 1986

SUBJECT: Taxation & Revenue - Taxation of Personal
Property Belonging to Credit Unions.

SYLLABUS: The personal property belonging to credit
unions is not exempt from property taxation.

TO: Mr. James L. Brodie
Property Division
South Carolina Tax Commission

FROM: Ronald W. Urban *RWN*
Assistant Attorney General

QUESTION: Is personal property belonging to credit unions
exempt from property taxation?

APPLICABLE LAW: 12 U.S.C.A. § 1753, 12 U.S.C.A § 1768 and
§§ 12-37-210, 12-37-220A(10) and 34-27-40, Code of Laws of
South Carolina, 1976.

DISCUSSION:

There are two classes of credit unions in South Carolina.
These classes are federal credit unions and credit unions
chartered by the state.¹

Federal credit unions are federal instrumentalities immune
from taxation unless such taxation is specifically
authorized by Congress. United States v. State of Me., 524
F. Supp. 1056 (1981). Here, Congress has authorized limited
taxation by way of 12 U.S.C.A. § 1768. The relevant portion
of that provision is as follows:

"The Federal credit unions organized
hereunder, their property, their
franchises, capital, reserves,
surpluses, and other funds and their

¹See 12 U.S.C.A. § 1753 and § 34-27-40.

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income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority; except that any real property and any tangible personal property of such Federal credit unions shall be subject to Federal, State, Territorial, and local taxation to the same extent as other similar property is taxed."²

In view of the foregoing, it appears that the taxability of personal property belonging to federal credit unions is dependent upon whether similar property of state chartered credit unions is taxable. Pursuant to § 12-37-210, all property in South Carolina is subject to taxation unless exempted. A review of the relevant authorities and statutes indicates that there are no exemptions afforded property of state chartered credit unions. Accordingly, the personal property of both federal credit unions and credit unions chartered by the state is subject to taxation.

CONCLUSION:

The personal property belonging to credit unions is not exempt from property taxation.

²The fact that 12 U.S.C.A. § 1768 does not authorize the taxation of intangible personal property is irrelevant since this type of property is exempted from taxation in South Carolina by § 12-37-220A(10).

RWU:wcg