

THE STATE OF SOUTH CAROLINA
OFFICE OF THE ATTORNEY GENERAL
COLUMBIA

OPINION NO. 5-124 1-221 October 18, 1985

SUBJECT: Taxation and Revenue - Exemption of Regional
Transportation Authorities.

SYLLABUS: The tax exemption provided regional
transportation authorities by 1985 Act
R257 is not limited to those taxes from
which counties and municipalities are exempt.
The exemption extends to all of the taxes
set forth in the act.

TO: Mr. E. Gregorie Frampton
Executive Director

FROM: Joe L. Allen, Jr. *JLA*
Chief Deputy Attorney General

QUESTION: Is the exemption from taxation provided regional
transportation authorities created pursuant to an act of
1985 General Assembly, Ratification Number 257, limited to
the exemptions otherwise provided counties and municipal-
ities?

APPLICABLE LAW: 1985 Act R257, S246.

DISCUSSION:

The act declares that the authorities exist for nonprofit
and public purposes and are public agencies. The General
Assembly declared that the authorities carry out a public
purpose and that the authorities' property is public
property. The pertinent language is that:

"No authority shall pay any state or
local ad valorem, income, sales, fuel,
excise, or other use taxes or other
taxes from which municipalities and
counties are exempt. The South Carolina
Tax Commission is responsible for
promulgating any regulations necessary
to effect fully this provision for tax
exemption."

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In interpreting this provision, we are governed by settled rules of construction. The language is to be liberally construed.

"Although exemptions to taxation are ordinarily narrowly construed, they are given a liberal construction when a governmental entity owns the property being taxed." Taylor v. Davenport, 281 S.C. 497, 316 S.E.2d 389 (1984). See also State v. City of Columbia, 115 S.C. 108, 104 S.E. 337 (1920).

The words of the statute are to be given effect in the absence of an ambiguity. (For cases so holding, see 17 S.C.D., Statutes, Key 202.) A conclusion that the exemption is limited to those taxes for which counties and municipalities are exempt would make the words income taxes, sales taxes, fuel taxes, excise taxes and other use taxes meaningless. Such a result is to be avoided under the above rules.

"Only when the literal application of a statute produces an absurd result will the Supreme Court consider a different meaning." Southeastern-Kusan, Inc. v. South Carolina Tax Commission, 276 S.C. 487, 280 S.E.2d 57.

The exemption afforded to the regional transportation authorities is for all of the taxes listed or stated therein. It is not limited to those for which a county or municipality is exempt.

The conclusion is supported by another well settled rule. If there is doubt in an act, resort to the heading of the act may be had to ascertain intent.

"Court may properly consider the title or caption of an act in aid of construction to show intent of the legislature." Lindsay v. Southern Farm Bureau Casualty Insurance Co., 258 S.C. 272, 188 S.E.2d 374.

The heading of the act provides in part that:

"* * * AUTHORITIES MUST BE NONPROFIT AND SHALL EXIST FOR PUBLIC PURPOSES AND EXEMPT THEM FROM TAXATION; * * *."

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CONCLUSION:

The tax exemption provided regional transportation authorities by 1985 Act R257 is not limited to those taxes from which counties and municipalities are exempt. The exemption extends to all of the taxes set forth in the act.

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