

1983 WL 181843 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

April 11, 1983

***1 SUBJECT: Taxation and Revenue—Tax-Exempt Status of New Manufacturers or Additions to Existing Manufacturing Plants of the Tax Levied for the Dorchester County Career Training Center and the Berkeley-Charleston-Dorchester Technical Education District.**

New manufacturing plants or additions to existing manufacturing plants are not exempt from the tax levied for the Dorchester County Career Training Center or the Berkeley-Charleston-Dorchester Technical Education District.

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QUESTION:

Are new manufacturing plants or qualifying additions to existing manufacturing plants exempt from the tax levy for the Dorchester County Career Training Center and the Berkeley-Charleston-Dorchester Technical Education District?

APPLICABLE LAW:

[Article X, § 3\(g\), South Carolina Constitution](#); §§ 12-37-220A(7), [59-53-1880](#) Through [59-53-1920](#) and [59-53-410](#) through [59-53-440](#) of the 1976 Code of Laws.

DISCUSSION:

[Article X, § 3\(g\)](#) and [§ 12-37-220A\(7\)](#) provide exemptions from property taxation for new manufacturing plants and additions to existing manufacturing plants. The exemptions authorized, however, 'shall not include exemptions from school taxes or municipal taxes but shall include only county taxes'. In [John D. Hollingsworth on Wheels, Inc. v. Greenville County Treasurer](#), [278 S.E.2d 340](#), the court stated:

'We hold in order to qualify for an exception as a school purpose or tax, the entity for which the tax is levied must be predominantly concerned with schooling.'

Under such, we first consider the tax levied for the Dorchester County Career Training Center.

Section 59-53-1900 provides authority for the school districts to join together to create vocational school boards and to construct, operate, govern, supervise, manage and control vocational schools. Section 59-53-1890 provides that each district shall own a proportionate share of the joint assets.

Section 59-53-1910 provides that the cost of operating the school is to be borne by the participating school district. The language is that:

'The vocational school shall not constitute a separate school district but shall be a joint project for the establishment of a vocational school by the cooperating school districts. The vocational school shall be funded by the respective district boards,

as the district boards may agree upon. The costs of acquiring real property and the improvements thereon are to be borne by the respective district boards according to their agreement thereon.'

For purposes of this opinion it is assumed that the tax referred to is that to be levied and collected by the respective school districts. Under such, the tax would fall squarely within the language of the Supreme Court. The school districts obviously are predominantly concerned with schooling.

Berkeley-Charleston-Dorchester Technical Education District

The District was created by act of the General Assembly, now codified as [§ 59-53-410](#), et seq. It was first established as a 'body politic and corporate' by Act 841, Acts of 1962. Such was amended in 1963 by Act 79. In this act the General Assembly found that the agency created by the 1962 act had been duly constituted and that it had entered upon its duties. The General Assembly further specifically found that:

2 ' * * it is desirable (in the interest of general uniformity) to change the name of the agency so created and to further define the powers and functions of the agency.'

The Commission was given power 'to adopt and use a corporate seal.' It is thus clear that the General Assembly contemplated and directed that the Commission be a separate commission or agency.

Settled rules govern the interpretation of statutes that grant exemption from taxation. They are strictly construed against the exemption.

'The language of a tax exemption statute must be given its plain, ordinary meaning and be strictly construed against the claimed exemption. [Chronicle Publishers, Inc. v. S. C. Tax Commission](#), 244 S.C. 192, 136 S.E.2d 261, [Owen Industrial Products, Inc. v. Sharpe](#), 274 S.C. 193, 262 S.E.2d 33.' [John D. Hollingsworth, etc. v. Greenville County](#), supra.

In this matter the court has declared that 'the entity for which the tax is levied must be predominantly concerned with schooling.' Such is the obvious and predominant purpose of the Commission. The tax levied therefor would thus be excluded from the exemption for new manufacturing plants of qualifying additions to existing plants.

CONCLUSION:

New manufacturing plants or additions to existing manufacturing plants are not exempt from the tax levied for the Dorchester County Career Training Center or the Berkeley-Charleston-Dorchester Technical Education District.

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