



# Incentives for Existing and New Industries

## Fee-In-Lieu of Property Tax

- A company may negotiate a Fee-In-Lieu of Property Taxes (FILOT) agreement. FILOT agreements are subject to final approval by Anderson County Council.
- Allow the County and manufacturer to negotiate a lower assessment ratio, 10.5% before incentives. Based on the level of investment, may be reduced as low as 6% on real and personal property and can be as low as 4% with substantial capital investment
- May negotiate a lock on the millage rate for life of agreement (20-40 years)

Requirements: Must be manufacturer, warehouse/distributor or an office/headquarters

- Minimum capital investment of \$2.5 million in real and personal property within 5 years of inducement resolution
- No minimum job creation requirement
- Bond/Incentive attorney must prepare legal documents at expense of company

## Property Tax Abatement

South Carolina provides a property tax abatement to new or existing companies making new capital investments in the state.

- Reduce tax burden when new assets are at their greatest value
- Approximately 28%-30% tax reduction annually for 5 years on new capital investment
- Abatement is given for 5 years (years 2-6) and is a waiver of the county's operating portion of property tax

Property Tax Calculation: Value x Assessment Ratio x Millage

Requirements:

- Invest at least \$50,000 in new capital expenditures in one year
- Company must be in manufacturing, research and development, corporate headquarters, or distribution/warehouse facilities
- If other than manufacturer or R&D, must create a minimum of 75 new jobs
- File tax return/PT-300 to SC Dept. of Revenue; deduction is automatic

Note: Besides the abatement, SC Provides the following property tax exemptions

- All inventories (raw materials, work-in-progress, and finished goods)
- All intangible property
- All pollution control equipment

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For more information refer to SC Dept. of Revenue website: [www.sctax.org](http://www.sctax.org)

For more information refer to SC Dept. of Commerce website: [www.sccommerce.com](http://www.sccommerce.com)

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