

Definition of Agricultural Real Property

Agricultural real property shall mean any tract of real property which is used to raise, harvest or store crops, feed, breed, or manage livestock, or to produce plants, trees, fowl, or animals useful to man, including the preparation of the products raised thereon for man's use and disposed of by marketing or other means. It includes, but is not limited to, such real property used for agricultural, grazing, horticulture, forestry, dairying, and mariculture. In the event at least 50% of real property tract shall qualify as "agricultural real property", the entire tract shall be so classified, provided no other business for profit is being operated thereon. The term "agricultural real property" shall not include any property used as the residence of the owner or others in that the taxation of such property is specifically provided for in Section 2 (C) and (E) of Act 208.

Agricultural Real Property Special Assessment Ratio

Q. Is there a tax break for agricultural property?

A. Yes, SC Law provides for a substantial tax break on agricultural real property that is actually used for a bona fide agricultural use. There are two parts to this benefit. First, if qualified, the property's taxable value is based on "Use Value", which is almost always considerably less than the property's "Market Value". The "Use Value" is based on the productive capability of the soil type or types in the property. Second, the assessed value is 4% of the "Use Value", unless a corporation with ten (10) or more stockholders owns the property, then the applicable ratio is 6%.

Q. What must an agricultural real property owner do to get this tax benefit?

A. The owner must file an application with the County Assessor. The filing period is January 1 through January 16 of the following year. Once the initial application is filed, it will automatically be renewed each year until there is a change in the property use/or a change in title. When reapplications are required, one will be mailed on each previously qualified property to the owner's last known address. It is the owner's responsibility to make sure applications are timely filed.

Qualifications - Requirements

Agricultural real property that is actually used for such purposes and meets certain size or income restrictions, not including, however, a corporation that is the owner or lessee except for certain corporations which do not:

1. Have more than 10 shareholders.
2. Have as a shareholder a person (other than an estate) who is not an individual
3. Have a nonresident alien as a shareholder, and
4. Have more than one class of stock.

Timberland tracts must be at least five acres. Tracts of timberland must be devoted actively to growing trees for commercial use. Tracts of timberland less than five acres may be eligible for agricultural classification if any of the following conditions are met.

1. The tract is contiguous to another timberland tract of at least five acres.
2. The tract is under the same management system as another qualifying timberland tract.
3. The tract is owned in combination with non-timberland tracts that qualify as agricultural real property.

Non-timberland (cropland) tracts must be at least 10 acres. Tracts of non-timberland less than 10 acres may be eligible for agricultural classification if any of the following conditions are met:

1. Contiguous tracts with identical ownership meet the minimum acreage requirement when added together.
2. The person making the application earned at least \$1,000 gross farm income in at least three of the past five years or at least three of the first five years if this is an initial application.
3. Current owner or immediate family member of the current owner has owned the property for at least ten years ending January 1, 1994 and the property is classified as agricultural real property for tax year 1994.