



Q: What is the Capital Project Sales Tax?

A: The Capital Project Sales Tax (CPST) is a 1% local sales and use tax used to fund specific capital projects, (i.e. roads, bridges, and intersection improvements).

Q: What purchases are EXEMPT from the Capital Project Sales Tax?

A: Purchases that are exempt from the CPST include but are not limited to: unprepared foods (groceries), gasoline, and prescriptions. You can find more information about the CPST under the South Carolina Code of Laws at <https://www.scstatehouse.gov/code/t04c010.php> and at the South Carolina Department of Revenue at <https://dor.sc.gov/tax/capital-project>.

Q: How much money will be collected by the CPST? How long will it be in effect?

A: The SC Dept. of Revenue has estimated that \$536 million will be collected by the CPST over the eight years it is in effect. If passed by the citizens of Lexington County at the November election, the CPST would go into effect May 1, 2023, and end April 30, 2031.

Q: What happens if the \$536 million is collected before the CPST expires? Will the tax end early?

A: The CPST is projected to collect \$536 million in the eight years it is in effect, however, that amount could change based on consumer spending during that time frame. The CPST could collect more or less than the projected \$536 million – either way the CPST will be in effect for eight years if passed by Lexington County voters.

Q: I thought we already have a tax in place to improve roads. Isn't the gas tax supposed to be used for that?

A: In 2017, the State of South Carolina legislature approved an increase in the gas tax in the amount of \$0.12/gallon. That increase would start at \$0.02/gallon in 2017 and increase by \$0.02/gallon each year until 2022. This was approved as part of the 2017 SC Infrastructure and Economic Development Reform Act. The purpose of this gas tax was to increase funding for the repair of the interstate and bridge system with the State's roadway network. Counties only receive a small percentage of the gas tax, and that money needs to be spent according to State law.

In short, the state gas tax primarily prioritizes SCDOT interstates and bridges, not County-maintained roads and other infrastructure.



Q: How many other counties in South Carolina have a CPST or Penny Tax?

A: All counties that border Lexington County have a CPST except for Richland County, which has a Transportation Tax that is funded for road improvements. Of the 46 counties in South Carolina, 28 have some form of CPST or Transportation Tax. For a detailed listing of each county, click here: <https://dor.sc.gov/tax-index/sales-and-use/Sales%20Notices/ST500.pdf#search=tax%20designation>

Q: If this tax is approved by voters in November, how long will it take to start seeing work being done on the roads?

A: If the CPST is passed in November 2022, the CPST funds will start being collected in May 2023. Projects can begin dependent upon each entity/municipality that submitted the projects. Disbursement of the collected funds from the SC Department of Revenue is expected in October 2023.

Q: Who is responsible for managing the projects? Who is making sure the money from the CPST is being used properly?

A: The submitting agency (county, municipality etc.) is responsible for managing their own projects that were previously approved by the CPST Commission. Each municipality/county is given a maximum amount of money for their project(s) and they must manage the allocated funds. If the cost of the project increases, the project scope must be reduced or the sponsoring municipality/county will need to fund the remaining cost.

The municipalities that have recommended projects for the CPST include:

- City of Cayce
- City of West Columbia
- Town of Batesburg-Leesville
- Town of Chapin
- Town of Gaston
- Town of Gilbert
- Town of Irmo
- Town of Lexington
- Town of Pine Ridge
- Town of Swansea



Q: Are these funds from the CPST just for Lexington County roads, or will municipalities also be included?

A: The funds from the CPST can be used on state, county and municipal roads located within the County of Lexington.

Q: Which proposed projects is Lexington County responsible for?

A: Lexington County is sponsoring \$425 million dollars of transportation improvement projects that are included in the proposed CPST referendum. A map showing the projects to be managed by Lexington County can be found here: <https://lexco-gis.maps.arcgis.com/apps/webappviewer/index.html?id=b536987ed6404a31b4246e9f973c811a>

Q: Why are we doing a CPST instead of a transportation tax if the CPST is being used for roads only?

A: Lexington County is not eligible for a transportation tax because there cannot be a transportation tax and a local tax enacted by the General Assembly. Lexington County already has a local school tax in place, so by law, Lexington County cannot enact a transportation tax.

Q: Why do we need to add another tax to pay for our roads improvements? Why can't we use federal funds for these projects?

A: Federal funds are administered through the SCDOT. Counties only receive a small portion of the federal funds as a majority of the funds will be used by SCDOT for major interstates and other State-maintained infrastructure projects.

Q: What happens to the funds in eight years if a project is not finished?

A: Funds from the CPST will be collected until April 30, 2031. After the CPST expires, the collected funds will continue to be used for unfinished projects.