

REPORT OF THE REVENUE POLICY SUBCOMMITTEE

(White, Limehouse, Bingham, Pitts & Herbkersman - Staff Contact: Rena N. Grant)

HOUSE BILL 5078

H. 5078 -- Rep. White: A BILL TO AMEND SECTION 4-10-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO VARIOUS LOCAL SALES AND USE TAXES, SO AS TO DEFINE 'GENERAL ELECTION'; TO AMEND SECTIONS 4-10-330 AND 4-10-340, BOTH AS AMENDED, RELATING TO THE CAPITAL PROJECTS SALES TAX ACT, SO AS TO PROVIDE THAT THE TAX MUST TERMINATE ON APRIL THIRTIETH OF AN ODD- OR EVEN-NUMBERED YEAR.

Summary of Bill:

This bill defines "general election" as it relates to the imposition of a Local Option Sales Tax. It also revises the law to state that a Capital Projects Tax ends the 30th April of the imposition year. Current law states that a Capital Projects Tax ends on 30th April of an odd numbered year, not to exceed seven years. With regards to the imposition and termination of Sales and Use Tax, the bill revises the law to state that the re-imposed tax terminates 30th April in the applicable year (still not to exceed seven years) not the 30th April in an odd number year. Current law is rather ambiguous, so all three revisions proposed in this bill: clarification of when the referendum is voted on, the imposition and termination of the tax imposed clarifies the law for local governments and the bond community.

Estimated Revenue Impact:

Pending
While the official impact is pending, there is no anticipated expenditure or revenue impact on the General Fund, Federal Funds or other Funds.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

Current law states that the maximum time (in two year increments) for the tax cannot exceed eight years. Re-imposition of a tax cannot exceed seven years.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H.5078
Author: White
Subject: Local sales and use taxes
Requestor: House Ways and Means
RFA Analyst(s): Dunbar and Kokolis
Impact Date: April 13, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

There is no expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds from this bill.

Explanation of Fiscal Impact

State Expenditure

The Department of Revenue indicates that there is no expenditure impact to the General Fund, Federal Funds, or Other Funds from this bill.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

This bill adds Section 4-10-10 to define general election as the first Tuesday following the first Monday in November in each even-numbered year for the Local Option Sales Tax. Sections 4-10-330 and 4-10-340 are amended to eliminate the provision that requires a Capital Projects Sales Tax end on an odd-numbered year. This bill would have no revenue impact on the General Fund, Federal Funds, or Other Funds.

Frank A. Rainwater, Executive Director

South Carolina General Assembly
121st Session, 2015-2016

H. 5078

STATUS INFORMATION

General Bill

Sponsors: Rep. White

Document Path: I:\council\bills\bbm\9461dg16.docx

Companion/Similar bill(s): 683

Introduced in the House on March 9, 2016

Currently residing in the House Committee on **Ways and Means**

Summary: Local sales and use taxes

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
3/9/2016	House	Introduced and read first time (<u>House Journal-page 33</u>)
3/9/2016	House	Referred to Committee on Ways and Means (<u>House Journal-page 33</u>)

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VERSIONS OF THIS BILL

3/9/2016

3/11/2016

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A BILL

TO AMEND SECTION 4-10-10, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO VARIOUS LOCAL SALES AND USE TAXES, SO AS TO DEFINE "GENERAL ELECTION"; TO AMEND SECTIONS 4-10-330 AND 4-10-340, BOTH AS AMENDED, RELATING TO THE CAPITAL PROJECTS SALES TAX ACT, SO AS TO PROVIDE THAT THE TAX MUST TERMINATE ON APRIL THIRTIETH OF AN ODD- OR EVEN-NUMBERED YEAR.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 4-10-10 of the 1976 Code, as added by Act 317 of 1990, is amended by adding an appropriately numbered item to read:

"() 'General election' means the election for federal and state officers in this State which is held on the first Tuesday following the first Monday in November in each even-numbered year."

SECTION 2. Section 4-10-330(A)(2) of the 1976 Code, as last amended by Act 49 of 2009, is further amended to read:

"(2) the maximum time, in two-year increments not to exceed eight years from the date of imposition, or in the case of a reimposed tax, a period ending on April thirtieth of an odd-numbered year, not to exceed seven years, for which the tax may be imposed;"

SECTION 3. Section 4-10-340(A) of the 1976 Code, as last amended by Act 49 of 2009, is further amended to read:

1 “(A) If the sales and use tax is approved in the referendum, the tax
2 is imposed on the first of May following the date of the referendum.
3 If the reimposition of an existing sales and use tax imposed pursuant
4 to this article is approved in the referendum, the new tax is imposed
5 immediately following the termination of the earlier imposed tax
6 and the reimposed tax terminates on the applicable thirtieth of April
7 ~~in an odd-numbered year~~, not to exceed seven years from the date
8 of reimposition. If the certification is not timely made to the
9 Department of Revenue, the imposition is postponed for twelve
10 months.”

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12 SECTION 4. This act takes effect upon approval by the Governor.

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