**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 34 IN TITLE 12 SO AS TO ENACT THE “SOUTH CAROLINA FAIR TAX ACT”, EFFECTIVE JANUARY 1, 2011, AND TO REPEAL, EFFECTIVE AT THE SAME TIME, CHAPTERS 6, 8, 11, 13, 16, AND 36, ALL OF TITLE 12, RELATING RESPECTIVELY TO THE SOUTH CAROLINA INCOME TAX ACT, INCOME TAX WITHHOLDING, THE INCOME TAX ON BANKS AND SAVINGS AND LOAN ASSOCIATIONS, THE SOUTH CAROLINA ESTATE TAX ACT, AND THE SOUTH CAROLINA SALES TAX ACT.

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

SECTION 1. Title 12 of the 1976 Cod is amended by adding:

“CHAPTER 34

The South Carolina Fair Tax Act

Article 1

Citations and Definitions

Section 12‑34‑10. This chapter may be cited as the ‘South Carolina Fair Tax Act’.

Section 12‑34‑20. (A) Any court, the director, and the Department of Revenue shall consider the purposes of this chapter as pursuant to subsection (B) of this section as the primary aid in statutory construction.

(B) The purposes of this chapter are to:

(1) raise revenue needed by the state government in a manner consistent with the other purposes of this chapter;

(2) tax all consumption of goods and services in this State without exception, but only once;

(3) prevent double, multiple, or cascading taxation;

(4) simplify the tax law and reduce the administration costs of, and the costs of compliance with, the tax law; and

(5) provide for the administration of the tax law in a manner that respects privacy, due process, individual rights when interacting with the government, the presumption of innocence in criminal proceedings, and the presumption of lawful behavior in civil proceedings.

(C) As a secondary aid in statutory construction, any court, the director, and the Department of Revenue shall consider:

(1) the common law canons of statutory construction;

(2) the meaning and construction of concepts and terms used in the 1976 Code as in effect before the effective date of this chapter; and

(3) construe any ambiguities in this act in favor of reserving powers to the people.”

SECTION 2. Chapters 6, 8, 11, 13, 16, and 36 of Title 12 of the 1976 Code are repealed.

SECTION 3. This act takes effect upon approval by the Governor and applies for all affected taxable periods beginning after December 31, 2010.

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