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Indicates New Matter

COMMITTEE REPORT

January 27, 2015

**S. 295**

Introduced by Senator Alexander

S. Printed 1/27/15--S.

Read the first time January 13, 2015.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 295) to amend Section 12‑54‑250 of the 1976 Code, relating to the requirement of payment in immediately available funds, to change the requirement from fifteen thousand dollars, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would have no expenditure or revenue impact on the general fund, federal funds, or other funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill reduces the threshold amount that requires a person in connection with any return, report, or other document pay the tax liability to the state in funds that are available immediately to the state to one thousand dollars from the current threshold of fifteen thousand dollars. The bill also amends the definition of immediately available funds to allow the settlement of these funds on or before two banking days following the due date of the tax. The Department of Revenue (DOR) reports that this bill could reduce the number of payments handled manually by a minimal number resulting in marginal cost savings to the agency.

**State Revenue**

Based on Department of Revenue information, the provisions of this bill would mirror the proposed electronic payment system to the current check deposit process, which allows payment on the due date of a return, but may not reach DOR’s processing facilities for 2 days because of mail transit. Therefore, this bill would have no impact on revenue collections.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 12‑54‑250 OF THE 1976 CODE, RELATING TO THE REQUIREMENT OF PAYMENT IN IMMEDIATELY AVAILABLE FUNDS, TO CHANGE THE REQUIREMENT FROM FIFTEEN THOUSAND DOLLARS TO ONE THOUSAND DOLLARS, AND TO REQUIRE THE SETTLEMENT OF THOSE FUNDS IN THE STATE’S ACCOUNT ON OR BEFORE TWO BANKING DAYS FOLLOWING THE DUE DATE OF THE TAX AS PROVIDED BY LAW.

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

SECTION 1. Section 12‑54‑250(A)(1) of the 1976 Code is amended to read:

“Section 12‑54‑250. (A)(1) The South Carolina Department of Revenue may require, consistent with the cash management policies of the State Treasurer, that a person owing ~~fifteen~~ one thousand dollars or more in connection with any return, report, or other document to be filed with the department or a withholding agent making at least twenty‑four payments in a year pursuant to Section 12‑8‑1520(D) pay the tax liability to the State no later than the date the payment is required by law to be made, in funds that are available immediately to the State. ‘Payment in immediately available funds’ means payment by cash to the main office of the department before five o’clock p.m. or by electronic means established by the department, with the approval of the State Treasurer, which ensures the settlement of those funds in the state’s account on or before ~~the~~ two banking ~~day~~ days following the due date of the tax as provided by law.”

SECTION 2. This act takes effect upon approval by the Governor.

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