DISCLAIMER

The South Carolina Legislative Council is offering access to the unannotated South Carolina Code of Laws on the Internet as a service to the public. The unannotated South Carolina Code on the General Assembly's website is now current through the 2014 session. The unannotated South Carolina Code, consisting only of Code text, numbering, and history may be copied from this website at the reader's expense and effort without need for permission.

The Legislative Council is unable to assist users of this service with legal questions. Also, legislative staff cannot respond to requests for legal advice or the application of the law to specific facts. Therefore, to understand and protect your legal rights, you should consult your own private lawyer regarding all legal questions.

While every effort was made to ensure the accuracy and completeness of the unannotated South Carolina Code available on the South Carolina General Assembly's website, the unannotated South Carolina Code is not official, and the state agencies preparing this website and the General Assembly are not responsible for any errors or omissions which may occur in these files. Only the current published volumes of the South Carolina Code of Laws Annotated and any pertinent acts and joint resolutions contain the official version.

Please note that the Legislative Council is not able to respond to individual inquiries regarding research or the features, format, or use of this website. However, you may notify the Legislative Services Agency at LSA@scstatehouse.gov regarding any apparent errors or omissions in content of Code sections on this website, in which case LSA will relay the information to appropriate staff members of the South Carolina Legislative Council for investigation.

CHAPTER 13

Contract for Reimbursement of Federal Manufacturer’s Excise Tax

**SECTION 32‑13‑110.** Contract for reimbursement of federal manufacturer’s excise tax; security for payment.

 (A) If a contract calls for one party to reimburse the other party for the federal manufacturer’s excise tax levied by Part III, Subchapter A, Chapter 32 of the United States Internal Revenue Code, whether as a separate item or as part of the price, there exists for the party making the reimbursement a contractual right relating to the timing of that payment which may be invoked at the option of the party as provided in subsection (B).

 (B) The party making the reimbursement is not required to tender payment for the taxes more than one business day before the time that the other party is required to remit the taxes to the United States Internal Revenue Service.

 (C) If a party exercises the option provided in subsections (A) and (B), the other party may demand security for the payment of the taxes in proportion to the amount the taxes represent compared to the security demanded on the contract as a whole. That party, however, may not change the other payment terms of the contract without a valid business reason other than to exercise the option as provided in subsections (A) and (B) except to require the payment of the taxes under the option to be made by electronic transfer of funds.

 (D) The party exercising the option provided in subsections (A) and (B) shall notify the other party in writing of the intent to exercise the payment option and the effective date of the exercise which must be no earlier than thirty days after the notice of intent is received or the beginning of the next federal tax quarter, whichever is later.

 (E) This section applies to all contracts now in effect which have no expiration date and are continuing contracts and to all other contracts entered into or renewed after the effective date of this section. A contract in force and effect on the effective date of this section, which, by its own terms terminates on a date subsequent to it, must be governed by the law as it existed before the effective date of this section.

 (F) The option provided for in subsections (A) and (B) does not impair the obligations arising under any contract executed before the effective date of this section. If the option provided for in subsections (A) and (B) is exercised, it does not relieve the party of the obligation to make the reimbursement as provided for in the contract but affects only the timing of when that reimbursement must be tendered.

HISTORY: 2004 Act No. 278, Section 2.