

Appendix A-1

Sorted by Agency

PROVISO 117.38 OUTSTANDING DEBT REPORT

For Period Ending December 31, 2013

AGENCY NUMBER	AGENCY NAME	DATE ELECTRONIC COPY RECEIVED		DATE COPIES RECEIVED	REPORTED AGENCY DEBT	COLLECTION AGENCY USED	DOR SERVICES USED
		E-Mail	Diskette				
A170	LEG. DEPT. - LEG. PRINTING & INFO. TECH.	1/27/2003		1/27/2014	\$0	No	No
A200	LEG. DEPT. - LEG. AUDIT COUNCIL			1/30/2014	\$0	No	No
A850	EDUCATION OVERSIGHT COMMITTEE	2/24/2003		2/4/2014	\$0	No	No
B040	JUDICIAL DEPARTMENT	4/3/2003		2/18/2014	\$0	No	No
C050	ADMINISTRATIVE LAW JUDGES			3/19/2014	\$150	No	No
D050	GOVERNOR'S OFFICE-ECOS	1/30/2003					
D100	GOVERNOR'S OFFICE-SLED	2/21/2003		2/27/2014	\$157	No	No
D170	GOVERNOR'S OFFICE-OEPP	1/30/2003					
D200	GOVERNOR'S OFFICE-MANSIONS & GROUNDS	1/30/2003					
D250	OFFICE OF INSPECTOR GENERAL						
E040	LIEUTENANT GOVERNOR'S OFFICE	1/22/2003		3/18/2014	\$0	No	No
E080	SECRETARY OF STATE'S OFFICE (All debt reported)		4/11/2003	2/27/2014	\$13,958	No	No
E120	COMPTROLLER GENERAL'S OFFICE	4/3/2003		2/3/2014	\$0	No	No
E160	STATE TREASURER'S OFFICE			2/3/2014	\$0	No	No
E190	RETIREMENT SYSTEM INVESTMENT COMMISSION			2/10/2014	\$0	No	No
E200	ATTORNEY GENERAL'S OFFICE	4/8/2003		3/18/2014	\$0	No	No
E210	PROSECUTION COORDINATION COMMISSION						
E230	COMMISSION ON INDIGENT DEFENSE	1/22/2003		1/27/2014	\$0	No	No
E240	ADJUTANT GENERAL'S OFFICE			3/27/2014	\$0	No	No
E280	ELECTION COMMISSION	1/30/2003		2/25/2014	\$0	No	No
F030	BUDGET & CONTROL BOARD	3/6/2003					
F270	B&C BOARD - STATE AUDITOR	4/2/2003		1/30/2014	\$0	No	No
F500	PUBLIC EMPLOYEE BENEFITS AUTHORITY (PEBA)			2/5/2014	\$0	No	No
H030	HIGHER EDUCATION COMMISSION	4/8/2003		1/27/2014	\$0	No	No
H060	HIGHER EDUCATION TUITION GRANTS COMM.	4/2/2003		2/4/2014	\$0	No	No
H090	THE CITADEL			3/3/2014	\$3,911,000	Yes	Yes
H120	CLEMSON UNIVERSITY (All Debt Reported) - INCLUDES P20	2/21/2003		3/3/2014	\$14,277,700	Yes	Yes
H150	COLLEGE OF CHARLESTON	2/25/2003		2/26/2014	\$4,252,706	Yes	Yes
H170	COASTAL CAROLINA UNIVERSITY (All Debt Reported)	2/21/2003		2/27/2014	\$3,561,121	Yes	Yes
H180	FRANCIS MARION UNIVERSITY (All Debt Reported)			3/7/2014	\$4,706,210	Yes	Yes
H210	LANDER UNIVERSITY			3/7/2014	\$2,070,816	Yes	Yes
H240	SOUTH CAROLINA STATE UNIVERSITY			3/7/2014	\$5,543,026	Yes	Yes
H270	UNIVERSITY OF SOUTH CAROLINA			3/5/2014	\$10,545,099	Yes	Yes
H470	WINTHROP UNIVERSITY (All Debt Reported)	2/25/2003		2/24/2014	\$5,508,198	Yes	Yes
H510	MEDICAL UNIVERSITY OF SOUTH CAROLINA	2/21/2003		2/20/2014	\$45,325,256	Yes	No
H530	SOUTH CAROLINA AREA HEALTH EDUCATION CONSORTIUM			1/27/2014	\$0	No	No
H590	STATE BOARD FOR TECH. & COMP. ED.	2/25/2003		3/4/2014	\$0	No	No
H630	DEPARTMENT OF EDUCATION (All Debt Reported)			2/10/2014	\$577,731	No	No
H640	GOV. SCHOOL FOR ARTS & HUMANITIES (All Debt Reported)	4/11/2003		2/4/2014	\$5,354	No	Yes
H650	GOV. SCHOOL FOR SCIENCE & MATHEMATICS	4/8/2003		3/18/2014	\$0	No	No
H660	SC EDUCATION LOTTERY (All Debt Reported)			2/28/2014	\$1,473,016	Yes	Yes
H670	EDUCATIONAL TELEVISION COMMISSION	2/24/2003		2/24/2014	\$52,401	No	No
H710	WIL LOU GRAY OPPORTUNITY SCHOOL	2/11/2003		3/18/2014	\$0	No	No
H730	VOCATIONAL REHABILITATION		3/3/2003	2/21/2014	\$250,513	No	No
H750	SCHOOL FOR THE DEAF AND THE BLIND	2/26/2003		3/6/2014	\$12,175	No	No
H790	DEPT. OF ARCHIVES AND HISTORY	4/8/2003		2/19/2014	\$5,175	No	No
H870	STATE LIBRARY			2/4/2014	\$0	No	No
H910	ARTS COMMISSION	2/25/2003		1/30/2014	\$0	No	No
H950	MUSEUM COMMISSION	2/27/2003		2/4/2014	\$0	No	No
J020	DEPT. OF HEALTH & HUMAN SERVICES (All Debt Reported)			2/27/2014	\$35,107,903	No	No
J040	DEPT. OF HEALTH & ENV. CONTROL	2/24/2003		3/3/2014	\$6,389,997	No	Yes
J120	DEPT. OF MENTAL HEALTH	2/21/2003		2/28/2014	\$3,483,000	No	Yes
J160	DEPT. OF DISABILITIES & SPECIAL NEEDS	2/21/2003		3/7/2014	\$543,024	No	Yes
J200	DEPT. OF ALCOHOL & OTHER DRUG ABUSE	2/25/2003		2/20/2014	\$125	No	No
K050	DEPT. OF PUBLIC SAFETY	4/4/2003		2/20/2014	\$106	No	Yes
L040	DEPT. OF SOCIAL SERVICES (All Debt Reported)	2/26/2003		3/20/2014	\$59,322,953	No	Yes
L120	JOHN DE LA HOWE SCHOOL (All Debt Reported)	2/24/2003		3/3/2014	\$54,173	No	Yes
L240	COMMISSION FOR THE BLIND	2/20/2003		2/28/2014	\$202,054	No	Yes
L320	STATE HOUSING FINANCE & DEV. AUTHORITY (All Debt Reported)			2/28/2014	\$55,167,513	No	No
L360	COMMISSION ON HUMAN AFFAIRS			1/31/2014	\$0	No	No
L460	COMMISSION ON MINORITY AFFAIRS	4/2/2003		2/27/2014	\$0	No	No
N040	DEPT. OF CORRECTIONS (All Debt Reported)	2/21/2003		2/27/2014	\$1,604,707	No	Yes

Source: Executive Budget Office

AGENCY NUMBER	AGENCY NAME	DATE ELECTRONIC COPY RECEIVED		DATE COPIES RECEIVED	REPORTED AGENCY DEBT	COLLECTION AGENCY USED	DOR SERVICES USED
		E-Mail	Diskette				
N080	DEPT. OF PROBATION, PAROLE & PARDON SVCS. (All Debt Reported)	2/24/2003		2/10/2014	\$11,807,955	No	Yes
N120	DEPT. OF JUVENILE JUSTICE	2/25/2003		2/17/2014	\$534,865	No	Yes
N200	LAW ENFORCEMENT TRAINING COUNCIL			3/18/2014	\$900	No	No
P120	FORESTRY COMMISSION (All Debt Reported)	2/5/2003		2/24/2014	\$34,735	No	Yes
P160	DEPT. OF AGRICULTURE (All Debt Reported)	3/19/2003		2/28/2014	\$90,428	No	No
P200	CLEMSON UNIVERSITY - PSA				Included in H12		
P210	SOUTH CAROLINA STATE UNIVERSITY - PSA						
P240	DEPT. OF NATURAL RESOURCES	2/20/2003					
P260	SEA GRANT CONSORTIUM		2/3/2003	3/18/2014	\$0	No	No
P280	DEPT. OF PARKS, RECREATION & TOURISM (All Debt Reported)	3/3/2003		2/26/2014	\$7,472	Yes	No
P320	DEPT. OF COMMERCE			2/24/2014	\$0	No	No
P340	JOBS-ECONOMIC DEVELOPMENT AUTHORITY	2/25/2003		1/30/2014	\$0	No	No
P360	PATRIOTS POINT DEVELOPMENT AUTHORITY	4/2/2003		3/18/2014	\$0	No	No
P400	SC CONSERVATION BANK			2/7/2014	\$0	No	No
P450	RURAL INFRASTRUCTURE AUTHORITY			2/24/2014	\$0	No	No
R040	PUBLIC SERVICE COMMISSION	4/2/2003		2/20/2014	\$0	No	No
R060	OFFICE OF REGULATORY STAFF			3/18/2014	\$0	No	No
R080	WORKER'S COMPENSATION COMMISSION	3/4/2003		3/3/2014	\$4,190,440	No	Yes
R120	STATE ACCIDENT FUND	2/18/2003					
R140	PATIENTS' COMPENSATION FUND	4/3/2003		1/30/2014	\$0	No	No
R200	DEPT. OF INSURANCE	2/25/2003		2/27/2014	\$0	No	No
R230	BOARD OF FINANCIAL INSTITUTIONS						
R280	DEPT. OF CONSUMER AFFAIRS	4/2/2003		2/5/2014	\$0	No	No
R360	DEPT. OF LABOR, LICENSING & REGULATION	2/26/2003		2/3/2014	\$55,191	No	No
R400	DEPT. OF MOTOR VEHICLES (All Debt Reported)			2/27/2014	\$1,921,107	No	Yes
R440	DEPT. OF REVENUE (All Debt Reported)			2/28/2014	\$594,620,977	Yes	Yes
R520	ETHICS COMMISSION (All Debt Reported)		4/8/2003	2/4/2014	\$1,917,129	No	Yes
R600	DEPT. OF EMPLOYMENT & WORKFORCE (All Debt Reported)	2/11/2003		2/27/2014	\$139,006,738	No	Yes
S600	PROCUREMENT REVIEW PANEL (All Debt Reported)	3/6/2003		3/5/2014	\$0	No	No
U120	DEPT. OF TRANSPORTATION (All Debt Reported)	2/25/2003		2/28/2014	\$3,794,818	No	Yes
U150	INFRASTRUCTURE BANK BOARD	2/7/2003		2/21/2014	\$0	No	No
U300	AERONAUTICS COMMISSION			2/3/2014	\$0	No	No
Y140	PORTS AUTHORITY	1/22/2003			No State Dollars		
Y180	SANTEE COOPER	2/25/2003					
ALL AGENCY TOTAL:					\$1,021,950,073		

Appendix A-2

Sorted by Amount

PROVISO 117.38 OUTSTANDING DEBT REPORT

For Period Ending December 31, 2013

AGENCY NUMBER	AGENCY NAME	DATE ELECTRONIC COPY RECEIVED		DATE COPIES RECEIVED	REPORTED AGENCY DEBT	COLLECTION AGENCY USED	DOR SERVICES USED
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R440	DEPT. OF REVENUE (All Debt Reported)			2/28/2014	\$594,620,977	Yes	Yes
R600	DEPT. OF EMPLOYMENT & WORKFORCE (All Debt Reported)	2/11/2003		2/27/2014	\$139,006,738	No	Yes
L040	DEPT. OF SOCIAL SERVICES (All Debt Reported)	2/26/2003		3/20/2014	\$59,322,953	No	Yes
L320	STATE HOUSING FINANCE & DEV. AUTHORITY (All Debt Reported)			2/28/2014	\$55,167,513	No	No
H510	MEDICAL UNIVERSITY OF SOUTH CAROLINA	2/21/2003		2/20/2014	\$45,325,256	Yes	No
J020	DEPT. OF HEALTH & HUMAN SERVICES (All Debt Reported)			2/27/2014	\$35,107,903	No	No
H120	CLEMSON UNIVERSITY (All Debt Reported) - INCLUDES P20	2/21/2003		3/3/2014	\$14,277,700	Yes	Yes
N080	DEPT. OF PROBATION, PAROLE & PARDON SVCS. (All Debt Reported)	2/24/2003		2/10/2014	\$11,807,955	No	Yes
H270	UNIVERSITY OF SOUTH CAROLINA			3/5/2014	\$10,545,099	Yes	Yes
J040	DEPT. OF HEALTH & ENV. CONTROL	2/24/2003		3/3/2014	\$6,389,997	No	Yes
H240	SOUTH CAROLINA STATE UNIVERSITY			3/7/2014	\$5,543,026	Yes	Yes
H470	WINTHROP UNIVERSITY (All Debt Reported)	2/25/2003		2/24/2014	\$5,508,198	Yes	Yes
H180	FRANCIS MARION UNIVERSITY (All Debt Reported)			3/7/2014	\$4,706,210	Yes	Yes
H150	COLLEGE OF CHARLESTON	2/25/2003		2/26/2014	\$4,252,706	Yes	Yes
R080	WORKER'S COMPENSATION COMMISSION	3/4/2003		3/3/2014	\$4,190,440	No	Yes
H090	THE CITADEL			3/3/2014	\$3,911,000	Yes	Yes
U120	DEPT. OF TRANSPORTATION (All Debt Reported)	2/25/2003		2/28/2014	\$3,794,818	No	Yes
H170	COASTAL CAROLINA UNIVERSITY (All Debt Reported)	2/21/2003		2/27/2014	\$3,561,121	Yes	Yes
J120	DEPT. OF MENTAL HEALTH	2/21/2003		2/28/2014	\$3,483,000	No	Yes
H210	LANDER UNIVERSITY			3/7/2014	\$2,070,816	Yes	Yes
R400	DEPT. OF MOTOR VEHICLES (All Debt Reported)			2/27/2014	\$1,921,107	No	Yes
R520	ETHICS COMMISSION (All Debt Reported)		4/8/2003	2/4/2014	\$1,917,129	No	Yes
N040	DEPT. OF CORRECTIONS (All Debt Reported)	2/21/2003		2/27/2014	\$1,604,707	No	Yes
H660	SC EDUCATION LOTTERY (All Debt Reported)			2/28/2014	\$1,473,016	Yes	Yes
H630	DEPARTMENT OF EDUCATION (All Debt Reported)			2/10/2014	\$577,731	No	No
J160	DEPT. OF DISABILITIES & SPECIAL NEEDS	2/21/2003		3/7/2014	\$543,024	No	Yes
N120	DEPT. OF JUVENILE JUSTICE	2/25/2003		2/17/2014	\$534,865	No	Yes
H730	VOCATIONAL REHABILITATION		3/3/2003	2/21/2014	\$250,513	No	No
L240	COMMISSION FOR THE BLIND	2/20/2003		2/28/2014	\$202,054	No	Yes
P160	DEPT. OF AGRICULTURE (All Debt Reported)	3/19/2003		2/28/2014	\$90,428	No	No
R360	DEPT. OF LABOR, LICENSING & REGULATION	2/26/2003		2/3/2014	\$55,191	No	No
L120	JOHN DE LA HOWE SCHOOL (All Debt Reported)	2/24/2003		3/3/2014	\$54,173	No	Yes
H670	EDUCATIONAL TELEVISION COMMISSION	2/24/2003		2/24/2014	\$52,401	No	No
P120	FORESTRY COMMISSION (All Debt Reported)	2/5/2003		2/24/2014	\$34,735	No	Yes
E080	SECRETARY OF STATE'S OFFICE (All debt reported)		4/11/2003	2/27/2014	\$13,958	No	No
H750	SCHOOL FOR THE DEAF AND THE BLIND	2/26/2003		3/6/2014	\$12,175	No	No
P280	DEPT. OF PARKS, RECREATION & TOURISM (All Debt Reported)	3/3/2003		2/26/2014	\$7,472	Yes	No
H640	GOV. SCHOOL FOR ARTS & HUMANITIES (All Debt Reported)	4/11/2003		2/4/2014	\$5,354	No	Yes
H790	DEPT. OF ARCHIVES AND HISTORY	4/8/2003		2/19/2014	\$5,175	No	No
N200	LAW ENFORCEMENT TRAINING COUNCIL			3/18/2014	\$900	No	No
D100	GOVERNOR'S OFFICE-SLED	2/21/2003		2/27/2014	\$157	No	No
C050	ADMINISTRATIVE LAW JUDGES			3/19/2014	\$150	No	No
J200	DEPT. OF ALCOHOL & OTHER DRUG ABUSE	2/25/2003		2/20/2014	\$125	No	No
K050	DEPT. OF PUBLIC SAFETY	4/4/2003		2/20/2014	\$106	No	Yes
A170	LEG. DEPT. - LEG. PRINTING & INFO. TECH.	1/27/2003		1/27/2014	\$0	No	No
A200	LEG. DEPT. - LEG. AUDIT COUNCIL			1/30/2014	\$0	No	No
A850	EDUCATION OVERSIGHT COMMITTEE	2/24/2003		2/4/2014	\$0	No	No
B040	JUDICIAL DEPARTMENT	4/3/2003		2/18/2014	\$0	No	No
E040	LIEUTENANT GOVERNOR'S OFFICE	1/22/2003		3/18/2014	\$0	No	No
E120	COMPTROLLER GENERAL'S OFFICE	4/3/2003		2/3/2014	\$0	No	No
E160	STATE TREASURER'S OFFICE			2/3/2014	\$0	No	No
E190	RETIREMENT SYSTEM INVESTMENT COMMISSION			2/10/2014	\$0	No	No
E200	ATTORNEY GENERAL'S OFFICE	4/8/2003		3/18/2014	\$0	No	No
E230	COMMISSION ON INDIGENT DEFENSE	1/22/2003		1/27/2014	\$0	No	No
E240	ADJUTANT GENERAL'S OFFICE			3/27/2014	\$0	No	No
E280	ELECTION COMMISSION	1/30/2003		2/25/2014	\$0	No	No
F270	B&C BOARD - STATE AUDITOR	4/2/2003		1/30/2014	\$0	No	No
F500	PUBLIC EMPLOYEE BENEFITS AUTHORITY (PEBA)			2/5/2014	\$0	No	No
H030	HIGHER EDUCATION COMMISSION	4/8/2003		1/27/2014	\$0	No	No
H060	HIGHER EDUCATION TUITION GRANTS COMM.	4/2/2003		2/4/2014	\$0	No	No

Source: Executive Budget Office

AGENCY NUMBER	AGENCY NAME	DATE ELECTRONIC COPY RECEIVED		DATE COPIES	REPORTED	COLLECTION	DOR
		E-Mail	Diskette	RECEIVED	AGENCY DEBT	AGENCY USED	SERVICES USED
H530	SOUTH CAROLINA AREA HEALTH EDUCATION CONSORTIUM			1/27/2014	\$0	No	No
H590	STATE BOARD FOR TECH. & COMP. ED.	2/25/2003		3/4/2014	\$0	No	No
H650	GOV. SCHOOL FOR SCIENCE & MATHEMATICS	4/8/2003		3/18/2014	\$0	No	No
H710	WIL LOU GRAY OPPORTUNITY SCHOOL	2/11/2003		3/18/2014	\$0	No	No
H870	STATE LIBRARY			2/4/2014	\$0	No	No
H910	ARTS COMMISSION	2/25/2003		1/30/2014	\$0	No	No
H950	MUSEUM COMMISSION	2/27/2003		2/4/2014	\$0	No	No
L360	COMMISSION ON HUMAN AFFAIRS			1/31/2014	\$0	No	No
L460	COMMISSION ON MINORITY AFFAIRS	4/2/2003		2/27/2014	\$0	No	No
P260	SEA GRANT CONSORTIUM		2/3/2003	3/18/2014	\$0	No	No
P320	DEPT. OF COMMERCE			2/24/2014	\$0	No	No
P340	JOBS-ECONOMIC DEVELOPMENT AUTHORITY	2/25/2003		1/30/2014	\$0	No	No
P360	PATRIOTS POINT DEVELOPMENT AUTHORITY	4/2/2003		3/18/2014	\$0	No	No
P400	SC CONSERVATION BANK			2/7/2014	\$0	No	No
P450	RURAL INFRASTRUCTURE AUTHORITY			2/24/2014	\$0	No	No
R040	PUBLIC SERVICE COMMISSION	4/2/2003		2/20/2014	\$0	No	No
R060	OFFICE OF REGULATORY STAFF			3/18/2014	\$0	No	No
R140	PATIENTS' COMPENSATION FUND	4/3/2003		1/30/2014	\$0	No	No
R200	DEPT. OF INSURANCE	2/25/2003		2/27/2014	\$0	No	No
R280	DEPT. OF CONSUMER AFFAIRS	4/2/2003		2/5/2014	\$0	No	No
S600	PROCUREMENT REVIEW PANEL (All Debt Reported)	3/6/2003		3/5/2014	\$0	No	No
U150	INFRASTRUCTURE BANK BOARD	2/7/2003		2/21/2014	\$0	No	No
U300	AERONAUTICS COMMISSION			2/3/2014	\$0	No	No
D050	GOVERNOR'S OFFICE-ECOS	1/30/2003					
D170	GOVERNOR'S OFFICE-OEPP	1/30/2003					
D200	GOVERNOR'S OFFICE-MANSIONS & GROUNDS	1/30/2003					
D250	OFFICE OF INSPECTOR GENERAL						
E210	PROSECUTION COORDINATION COMMISSION						
F030	BUDGET & CONTROL BOARD	3/6/2003					
P200	CLEMSON UNIVERSITY - PSA-Included in H12						
P210	SOUTH CAROLINA STATE UNIVERSITY - PSA						
P240	DEPT. OF NATURAL RESOURCES	2/20/2003					
R120	STATE ACCIDENT FUND	2/18/2003					
R230	BOARD OF FINANCIAL INSTITUTIONS						
Y140	PORTS AUTHORITY-No State Dollars	1/22/2003					
Y180	SANTEE COOPER	2/25/2003					
ALL AGENCY TOTAL:					\$1,021,950,073		

Appendix B

PROVISO 89.40 OUTSTANDING DEBT REPORT

For Period Ending December 31, 2012

AGENCY NUMBER	AGENCY NAME	DATE COPIES RECEIVED	REPORTED AGENCY DEBT	COLLECTION AGENCY USED	DOR SERVICES USED
A01	LEG. DEPT. - SENATE				
A05	LEG. DEPT. - HOUSE OF REPRESENTATIVES				
A15	LEG. DEPT. - CODIFICATION OF LAWS				
A17	LEG. DEPT. - LEG. PRINTING & INFO. TECH.				
A20	LEG. DEPT. - LEG. AUDIT COUNCIL	2/4/2013	\$0	No	No
A85	EDUCATION OVERSIGHT COMMITTEE	2/1/2013	\$0	No	No
B04	JUDICIAL DEPARTMENT				
C05	ADMINISTRATIVE LAW JUDGES	4/5/2013	\$0	No	No
D05	GOVERNOR'S OFFICE-ECOS	1/31/2013	\$0	No	No
D10	GOVERNOR'S OFFICE-SLED				
D17	GOVERNOR'S OFFICE-OEPP (All debt reported)	1/31/2013	\$0	No	No
D20	GOVERNOR'S OFFICE-MANSIONS & GROUNDS	1/31/2013	\$0	No	No
D25	OFFICE OF INSPECTOR GENERAL	1/31/2013	\$0	No	No
E04	LIEUTENANT GOVERNOR'S OFFICE	1/31/2013	\$0	No	No
E08	SECRETARY OF STATE'S OFFICE (All debt reported)	3/5/2013	\$17,013	No	No
E12	COMPTROLLER GENERAL'S OFFICE	2/8/2013	\$0	No	No
E16	STATE TREASURER'S OFFICE	1/31/2013	\$0	No	No
E19	RETIREMENT SYSTEM INVESTMENT COMMISSION	2/14/2013	\$0	No	No
E20	ATTORNEY GENERAL'S OFFICE				
E21	PROSECUTION COORDINATION COMMISSION	2/5/2013	\$0	No	No
E23	COMMISSION ON INDIGENT DEFENSE	2/1/2013	\$0	No	No
E24	ADJUTANT GENERAL'S OFFICE	2/14/2013	\$0	No	No
E28	ELECTION COMMISSION	2/14/2013	\$0	No	No
F03	BUDGET & CONTROL BOARD	3/3/2013	\$182,329	No	Yes
F27	B&C BOARD - STATE AUDITOR	2/1/2013	\$0	No	No
H03	HIGHER EDUCATION COMMISSION	2/4/2013	\$0	No	No
H06	HIGHER EDUCATION TUITION GRANTS COMM.	1/31/2013	\$0	No	No
H09	THE CITADEL	3/3/2013	\$4,504,000	Yes	Yes
H12	CLEMSON UNIVERSITY (All Debt Reported) - INCLUDES P20	3/7/2013	\$13,357,289	Yes	Yes
H15	COLLEGE OF CHARLESTON	2/25/2013	\$3,705,526	Yes	Yes
H17	COASTAL CAROLINA UNIVERSITY (All Debt Reported)	2/27/2013	\$2,466,771	Yes	Yes
H18	FRANCIS MARION UNIVERSITY (All Debt Reported)	3/3/2013	\$4,872,532	Yes	Yes
H21	LANDER UNIVERSITY	2/27/2013	\$2,068,234	Yes	Yes
H24	SOUTH CAROLINA STATE UNIVERSITY	3/4/2013	\$12,965,848	Yes	Yes
H27	UNIVERSITY OF SOUTH CAROLINA	2/27/2013	\$11,858,713	Yes	Yes
H47	WINTHROP UNIVERSITY (All Debt Reported)	2/27/2013	\$4,632,876	Yes	Yes
H51	MEDICAL UNIVERSITY OF SOUTH CAROLINA	2/21/2013	\$46,771,660	Yes	No
H53	MUSC-CONSORTIUM OF TEACHING HOSPITALS	2/5/2013	\$0	No	No
H59	STATE BOARD FOR TECH. & COMP. ED.	2/26/2013	\$0	No	No
H63	DEPARTMENT OF EDUCATION (All Debt Reported)	2/27/2013	\$459,931	No	No
H63	FIRST STEPS				
H64	GOV. SCHOOL FOR ARTS & HUMANITIES (All Debt Reported)	2/7/2013	\$2,910	No	Yes
H65	GOV. SCHOOL FOR SCIENCE & MATHEMATICS	2/7/2013	\$0	No	No
H66	SC EDUCATION LOTTERY (All Debt Reported)	2/2/2013	\$1,485,574	Yes	Yes
H67	EDUCATIONAL TELEVISION COMMISSION	2/25/2013	\$10,304	No	No
H71	WIL LOU GRAY OPPORTUNITY SCHOOL				
H73	VOCATIONAL REHABILITATION	2/27/2013	\$1,999,861	No	No
H75	SCHOOL FOR THE DEAF AND THE BLIND	2/27/2013	\$4,570	No	No
H79	DEPT. OF ARCHIVES AND HISTORY	2/28/2013	\$2,103	No	No
H87	STATE LIBRARY	2/11/2013	\$0	No	No
H91	ARTS COMMISSION	4/3/2013	\$0	No	No

AGENCY NUMBER	AGENCY NAME	DATE COPIES RECEIVED	REPORTED AGENCY DEBT	COLLECTION AGENCY USED	DOR SERVICES USED
H95	MUSEUM COMMISSION	2/6/2013	\$0	No	No
J02	DEPT. OF HEALTH & HUMAN SERVICES (All Debt Reported)	2/5/2013	\$35,845,832	No	No
J04	DEPT. OF HEALTH & ENV. CONTROL	3/1/2013	\$7,206,037	No	Yes
J12	DEPT. OF MENTAL HEALTH	3/1/2013	\$2,609,000	No	Yes
J16	DEPT. OF DISABILITIES & SPECIAL NEEDS	2/25/2013	\$568,263	No	No
J20	DEPT. OF ALCOHOL & OTHER DRUG ABUSE	2/14/2013	\$125	No	No
K05	DEPT. OF PUBLIC SAFETY	3/1/2013	\$1,767	No	Yes
L04	DEPT. OF SOCIAL SERVICES (All Debt Reported)	2/21/2013	\$52,335,593	No	Yes
L12	JOHN DE LA HOWE SCHOOL (All Debt Reported)	3/7/2013	\$65,578	No	Yes
L24	COMMISSION FOR THE BLIND	3/1/2013	\$224,231	No	Yes
L32	STATE HOUSING FINANCE & DEV. AUTHORITY (All Debt Reported)	3/7/2013	\$68,597,709	No	No
L36	COMMISSION ON HUMAN AFFAIRS	2/1/2013	\$0	No	No
L46	COMMISSION ON MINORITY AFFAIRS	4/3/2013	\$0	No	No
N04	DEPT. OF CORRECTIONS (All Debt Reported)	2/21/2013	\$1,552,400	No	Yes
N08	DEPT. OF PROBATION, PAROLE & PARDON SVCS.	2/2/2013	\$9,904,606	No	Yes
N12	DEPT. OF JUVENILE JUSTICE	2/7/2013	\$395,568	No	Yes
N20	LAW ENFORCEMENT TRAINING COUNCIL	2/27/2013	\$900	No	No
P12	FORESTRY COMMISSION (All Debt Reported)	2/11/2013	\$35,036	No	Yes
P16	DEPT. OF AGRICULTURE	3/1/2013	\$63,189	No	No
P20	CLEMSON UNIVERSITY - PSA	Included in H12			
P21	SOUTH CAROLINA STATE UNIVERSITY - PSA	3/7/2013	\$0	No	No
P24	DEPT. OF NATURAL RESOURCES	2/28/2013	\$2,030	No	No
P26	SEA GRANT CONSORTIUM	2/13/2013	\$0	No	No
P28	DEPT. OF PARKS, RECREATION & TOURISM (All Debt Reported)	2/26/2013	\$14,664	No	No
P32	DEPT. OF COMMERCE	2/13/2013	\$0	No	No
P34	JOBS-ECONOMIC DEVELOPMENT AUTHORITY	2/1/2013	\$0	No	No
P36	PATRIOTS POINT DEVELOPMENT AUTHORITY	2/25/2013	\$0	No	No
P40	SC CONSERVATION BANK	2/7/2013	\$0	No	No
P45	RURAL INFRASTRUCTURE AUTHORITY	2/13/2013	\$0	No	No
R04	PUBLIC SERVICE COMMISSION	2/28/2013	\$0	No	No
R06	OFFICE OF REGULATORY STAFF				
R08	WORKER'S COMPENSATION COMMISSION	3/1/2013	\$4,520,264	No	Yes
R12	STATE ACCIDENT FUND	2/22/2013	\$0	No	No
R14	PATIENTS' COMPENSATION FUND	2/1/2013	\$0	No	No
R16	SECOND INJURY FUND	2/27/2013	\$14,347,577	No	Yes
R20	DEPT. OF INSURANCE (All Debt Reported)	3/1/2013	\$0	No	No
R23	BOARD OF FINANCIAL INSTITUTIONS				
R28	DEPT. OF CONSUMER AFFAIRS	2/8/2013	\$0	No	No
R36	DEPT. OF LABOR, LICENSING & REGULATION	2/5/2013	\$37,844	No	No
R40	DEPT. OF MOTOR VEHICLES (All Debt Reported)	3/3/2013	\$1,626,863	No	Yes
R44	DEPT. OF REVENUE (All Debt Reported)	2/25/2013	\$131,594,879	Yes	Yes
R52	ETHICS COMMISSION (All Debt Reported)	2/21/2013	\$1,986,725	No	Yes
R60	DEPT. OF EMPLOYMENT & WORKFORCE (All Debt Reported)	3/1/2013	\$139,901,449	No	Yes
S60	PROCUREMENT REVIEW PANEL (All Debt Reported)	4/3/2013	\$0	No	No
U12	DEPT. OF TRANSPORTATION (All Debt Reported)	2/27/2013	\$783,290	No	Yes
U15	INFRASTRUCTURE BANK BOARD	2/7/2013	\$0	No	No
U30	AERONAUTICS COMMISSION	2/26/2013	\$0	No	No
Y14	PORTS AUTHORITY	No State Dollars			
Y18	SANTEE COOPER				
ALL AGENCY TOTAL:			\$585,589,463		

SOUTH CAROLINA DEPARTMENT OF REVENUE

2015 Setoff Debt Program Application





SOUTH CAROLINA DEPARTMENT OF REVENUE

2014 Setoff Debt Program Application

TABLE OF CONTENTS

Cover Letter	1
Dates to Remember	2
General Information	3
Chapter 56 SC Code of Laws	8
Notice and Appeal Requirements	15
Notice Letter to Debtor	17
Notice of Protest by Debtor	18
Certification of Hearing	19
Decision of Hearing Officer	20
Appeal of Decision of Hearing Officer	21
Notice of Adjustment	22

State of South Carolina
Department of Revenue
300A Outlet Pointe Boulevard, P.O. Box 125, Columbia, South Carolina 29214

July 20, 2014

Dear Debt Setoff Coordinator:

The Department of Revenue (Department) is excited about partnering with you again in the collection of debts owed to South Carolina governmental entities. Thank you for allowing us to provide collection services to you through our Income Tax Setoff Debt Collection Program in 2014.

An application for participation in the calendar year 2015 Setoff Debt Collection Program is enclosed. Please read the information and instructions thoroughly before completing the application. The information will assist you in completing the application as well as answer many questions you may have. As always please take special note of the appeal requirements.

If you are unaware, we would like to take the time to inform you of our Governmental Enterprise Accounts Receivable (GEAR) Collections Program. GEAR (section 12-4-580 of the South Carolina Code of Laws) authorizes the Department to contract with any other governmental entity to collect outstanding liabilities owed. Participation in GEAR not only places the debt in the Setoff Debt Collection program but carries the collection process to a higher level than the yearly income tax refund seizure. GEAR uses an extensive letter campaign followed by wage garnishments, payment agreements and payment levies.

We also remind you of Part IB Proviso, Section 117.38, of the General Appropriations Act for FY2013-2014. The Proviso provides that the Department of Revenue and all other state agencies must report to the Senate Finance, House of Representatives Ways and Means Committees and Inspector General, the amount of outstanding debt and all methods used to collect the debt. The report is due the last day of February.

Please provide us the opportunity to answer any questions you may have concerning the programs outlined. For additional setoff debt information you may contact our Setoff Debt Coordinators, Loretta Patterson at (803) 898-5627, email patterl@sctax.org or Kalesha Campbell at (803)898-5755, email campbek@sctax.org. For additional GEAR information contact our GEAR Coordinators Doris Mosley at (803) 898-5694, email mosleyd@sctax.org or Sheri Dunbar at (803) 898-5376, email dunbars@sctax.org.

Sincerely,

SOUTH CAROLINA DEPARTMENT OF REVENUE
COLLECTION SERVICES

Enclosures

Setoff Debt Collection Program Dates to Note

July 1- July 31	Department of Revenue (DOR) will mail application packet.
August 31	Application for Participation is due on or before to SCDOR.
Sept 1 – Sept 30	SCDOR will notify agency that application has been received and requested record layout format and instructions will be mailed.
December 1	CD/Diskettes and Files Transfer are due to SCDOR for Debt Setoff.

NOTE: Notice Letter to Debtor and Due Process must be given to debtor no less than thirty (30) days prior to submitting name and social security number to SCDOR for Debt Setoff.

PLEASE READ INFORMATION THOUROUGHLY

GENERAL INFORMATION

I. Application for Participation

- A. Before a request for setoff may be made, **the claimant agency must notify the debtor of its intention to cause the debtor's refund to be setoff** no less than thirty (30) days before the request is submitted to the department. This notice must be given by mailing the notice, with postage prepaid, addressed to the debtor at the address provided to the claimant agency when the debt was incurred or at the debtor's last known address. The notice must include a statement of appeal procedures available to the debtor, substantially as follows:

'According to our records, you owe (the claimant agency) a debt in the amount of (amount of debt), plus interest if applicable, for (type of debt). You are hereby notified of (the claimant agency's) intention to submit and/or resubmit this debt to the South Carolina Department of Revenue through the Setoff Debt Collection Act and/or the Governmental Enterprise Accounts Receivable Collections Program (GEAR) until the debt is paid in full.

The Setoff Debt Collection Act allows the Department of Revenue to deduct, from any refund, this amount plus all costs, including a \$25 administrative fee. If you file a joint return with your spouse, this amount will be deducted from the total joint refund without regard to which spouse incurred the debt or actually withheld the taxes.

The GEAR Program, SC Code Section 12-4-580, authorizes the Department of Revenue to utilize all rights and powers of collection allowed under Title 12 in collection of the above debt. These powers include garnishment of any wages, seizure of bank accounts, sales of real or personal property, and the revocation of any license.

The Department of Revenue will utilize the powers granted under Title 12 of the SC Code unless you file a written protest, within thirty (30) days from the date of this notice, with the information contained below:

- 1. your name;**
- 2. your address;**
- 3. your social security number;**
- 4. the type of debt in dispute; and**
- 5. a detailed statement of all reasons you disagree with the debt amount or dispute that you owe the debt**

The original written protest must be mailed to the (claimant agency) at the following address: (address of entity requesting the setoff)?

- B. On or before August 31 of each year, claimant agencies must furnish to the department an application with the information listed below. This application is effective only to initiate setoff against refunds in the subsequent calendar year.
- a) The name, address, and telephone number of the individual or section to whom the department should direct inquiries, if further information is required.
 - b) An estimate of the number and dollar amount of accounts to be forwarded for possible setoff.
 - c) A letter of authorization from the claimant agency head which includes the name, title and sample signature of the person(s) authorized to make requests for service.
 - d) The name, address, and telephone number of the assigned hearing officer for protests, if necessary.
- C. CD Rom or diskettes are the transmitting mediums. Formats for the selected medium will be mailed by September 30 along with confirmation of your application.
- D. Priority in multiple claims to refunds allowed to be setoff must be in the order in time which a claimant agency has filed an application of participation with the department. However, claims filed by any agency of state government have priority over claims filed by the Internal Revenue Service or an institution of higher learning. Notwithstanding this priority according to time of filing, the department has priority over all other claimant agencies for collection by setoff whenever it is a competing agency for a refund.

II. Certification of Debt File

- A. Before **December 1**, claimant agencies must forward a CD Rom or diskette of their debt files along with a **statement certifying them for collection**. Such statement should be signed by the claimant agency head or the person(s) authorized to make requests for service and contain language similar to the following:

I hereby certify that this organization has complied with the requirements of South Carolina Code 12-56-60 and that the information contained in the accompanying tape(s) is, to the best of my knowledge and belief, true, correct, and complete.

THIS STATEMENT MUST ACCOMPANY THE INITIAL SUBMISSION

Pursuant to 12-56-60, the information certifying the debt files for collection must be received before **December 1** in order to offset refunds to be made in the subsequent year.

CD Rom and diskettes should be mailed or delivered to:

**Loretta T. Patterson or Kalesha Campbell, Setoff Debt Coordinator
South Carolina Department of Revenue
Post Office Box 125
Columbia, South Carolina 29214**

- B. Claimant agencies must submit to the department a list of claims which includes:
- a) Debtor's name
 - b) Social Security number
 - c) Agency number (code)
 - d) Agency I.D. number (fund)
 - e) Debt amount
 - f) Date of default
- C. It is extremely important that the above information is transmitted accurately. It shall be the responsibility of the claimant agency to insure the accuracy of claims submitted. No claims will be processed unless submitted in required form.
- D. The certification of the list of claims is effective only against refunds issued in the subsequent calendar year.

III. Submission of Deletions of Accounts and Reductions in Debt Amount

The certified list of claims must be received by the department by **December 1** of each calendar year. Changes such as deletions of accounts and reductions in debt amount may be made after December 1. The amount of setoff requested **cannot** be increased and accounts **cannot** be added after December 1. Corrections can be made only by returning information on selected medium.

IV. Refund Match to Claimant's Claim

Upon receiving the certification of the claimant agency, the department shall determine if the debtor is due a refund in excess of \$25. If a refund in excess of \$25 is due, the department shall setoff the delinquent debt against the amount of the refund. The department may retain up to \$25 to defray its administrative expense.

The department is not required to apportion refunds resulting from filing of joint returns. The certified delinquent debt and debtor list provided by the claimant agency shall be presumed correct by the department.

V. Transmittal of Funds and Accounting of Setoff to Claimant Agency

At the time of transmittal of the funds to the claimant agency, the department shall provide the agency an accounting of the funds. This will include the full name of the debtor, the debtor's Social Security number, and the amount of the setoff.

VI. Review by Claimant Agency

A debtor who protests the debt shall file a written protest with the claimant agency at the address provided in the claimant agency's notification of intention to setoff. The protest must be filed within thirty days of the date of the notice of intention to setoff and must contain the debtor's name, address, and social security number, identify the type of debt in dispute, and give a detailed statement of all the reasons which support the protest. The requirements of this section are jurisdictional.

Before submitting a debt to the department, the claimant agency shall appoint a hearing officer to hear a protest of a debtor. This hearing officer is vested with the authority to decide a protest in favor of either the debtor or the claimant agency. The claimant agency shall certify to the department, on a form prescribed by the department, that a hearing officer has been appointed and shall inform the department of the name, address, and telephone number of the hearing officer. If this hearing officer is unable to serve at any time, the claimant agency shall appoint another hearing officer. **This information will be submitted on the Setoff Debt Application.**

Upon receipt of a notice of protest, the claimant agency shall notify the department that a protest has been received and shall hold an informal hearing at which time the debtor may present evidence, documents, and testimony to dispute the debt. The claimant agency shall notify the debtor of the date, time, and location of the informal hearing. At the conclusion of the informal hearing, the hearing officer shall render his determination. Upon receipt of a sworn certification from the hearing officer that he held an informal hearing and ruled in favor of the claimant agency, the department may proceed with the setoff, regardless of a subsequent appeal by the debtor. The department must be notified by the claimant agency hearing officer of a protest at the following address:

**SC Department of Revenue
Attn: Loretta T. Patterson or Kalesha Campbell
Protest – Debt Setoff Collection Act
PO Box 125
Columbia, SC 29214**

If a setoff is made and the determination of the hearing officer in favor of the claimant agency is later reversed, the claimant agency shall refund the appropriate amount to the taxpayer. If the claimant agency is found to be entitled to no part of the amount setoff, it shall refund the entire amount plus the administrative fee retained by the department. That portion of the refund reflecting the administrative fee must be paid from claimant agency funds. If the claimant agency is found to be entitled to a portion of the amount setoff, it is not required to refund the administrative fee retained by the department.

VII. Indemnification of South Carolina Department of Revenue

South Carolina Code 12-56-100 states that the claimant agencies will indemnify the department. By participating in this program, the claimant agencies acknowledge that they will indemnify the department against any injuries, actions, liabilities, or proceedings arising from performance under the debt offset provisions. A statement to this effect will be included on the application for participating in Setoff Debt Collection Program.

VIII. Portions of Chapters 111, 113, and 115 of Title 59 (of the South Carolina Code) are listed:

- I. Chapter 111, Title 59
 - 59-111-10 Scholarship Winners of Essay Contests
 - 59-111-20 Free Tuition for Certain Veteran’s Children
 - 59-111-30 South Carolina Defense Scholarship Fund
 - 59-111-110 Free Tuition for Certain Public Employee’s Children
 - 59-111-320 Free Tuition for Those Sixty or Older
 - 59-111-510 Medical and Dental Scholarship Fund

- II. Chapter 113, Title 59
 - 59-113-10 through 59-113-50 Establishes Higher Education Tuition Grants, a Committee and Guidelines for Administration of the Grants.

- III. Chapter 115, Title 59
 - 59-115-10 through 59-115-180 Establishes the State Education Assistance Act, the Authority, the Loan Fund, and Guidelines for the Administration of the Act.

It must be noted that parts of Chapter 111 and all of Chapter 113 pertain to scholarships and grants rather than loans. With regard to scholarships and grants, it is foreseeable that in certain instances the recipients might be required to pay back a portion or all of such scholarships or grants. This, for example, is very likely with the medical and dental scholarship funds.

IX. A copy of the Setoff Debt Collection Act is enclosed.

If you have any questions regarding debt match processing or procedures, please contact Loretta Patterson at (803) 898-5627/email patterl@sctax.org or Kalesha Campbell at (803)898-5755/email campbek@sctax.org

CHAPTER 56.

SETOFF DEBT COLLECTION ACT

SECTION 12-56-10. Short title.

This chapter may be cited as the "Setoff Debt Collection Act".

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-20. Definitions.

As used in this chapter:

- (1) "Claimant agency" means a state agency, board, committee, commission, public institution of higher learning, political subdivision, or other governmental or quasi-governmental entity of any state or the United States. It includes the South Carolina Student Loan Corporation, housing authorities established pursuant to Articles 5, 7, and 9 of Chapter 3 of Title 31 and the Internal Revenue Service, and the United States Department of Education. It also includes a private institution of higher learning for the purpose of collecting debts related to default on authorized educational loans made pursuant to Chapter 111, 113, or 115 of Title 59. "Political subdivision" includes the Municipal Association of South Carolina and the South Carolina Association of Counties when these organizations submit claims on behalf of a county or local governmental or quasi-governmental entity. A political subdivision who submits a claim through an association is a claimant agency for the purpose of the notice and appeal provisions and other requirements of this chapter.
- (2) "Department" means the South Carolina Department of Revenue.
- (3) "Debtor" means a person having a delinquent debt or account with a claimant agency which has not been adjusted, satisfied, or set aside by court order, or discharged in bankruptcy.
- (4) "Delinquent debt" means a sum due and owing a claimant agency, including collection costs, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made. It does not include sums owed to county hospitals when the hospital and the debtor have entered into a written payment agreement and the debtor is current in meeting the obligations of the agreement. "Delinquent debt" also includes any fine, penalty, cost, fee, assessment, surcharge, service charge, restitution, or other amount imposed by a court or as a direct consequence of a final court order which is received by or payable to the clerk of the appropriate court or treasurer of the entity where the court is located.
- (5) "Refund" means any individual or corporate South Carolina income tax refund payable. This term also includes a refund belonging to a debtor resulting from the filing of a joint income tax return.

HISTORY: 1995 Act No. 76, Section 5; 1996 Act No. 347, Section 1; 1996 Act No. 395, Section 1; 1998 Act No. 419, Part II, Section 55A; 1999 Act No. 114; 1999 Act No. 114, Section 4Q; 1999 Act No. 114, Section 4R; 2001 Act No. 89, Section 60A, eff July 20, 2001; 2002 Act No. 334, Section 9, eff June 24, 2002; 2003 Act No. 69, Section 3.KK.2, eff June 18, 2003.

SECTION 12-56-30. Collection of debt; information to be given by claimant agency; information to be given by department to claimant agency.

- (A) The collection remedy under this chapter is in addition to any other remedy available by law.
- (B) Claimant agencies may submit for collection under the procedure established by this chapter all delinquent debts which they are owed.
- (C) All claimant agencies, whenever possible, shall obtain the full name, social security number, address, and any other identifying information, required by regulations promulgated by the department for implementation of this chapter, from any person for whom the agencies provide any service or transact any business and who the claimant agencies can foresee may become a debtor under the terms of this chapter.
- (D) Upon request from a claimant agency, the department shall furnish the claimant agency the home address, corrected Social Security number or additional Social Security number of any taxpayer whose name has been submitted to the department for collection of a delinquent debt.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-40. Choice of claimant agency as to use of or participation in setoff program.

If the claimant agency determines that the administrative cost of utilizing this chapter is prohibitive, it may choose not to participate in the setoff program, or it may choose to participate only in cases of delinquent debts above an amount it determines appropriate.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-50. Department to assist in collection of account or debt by setoff of any refunds due to debtor.

Subject to the limitations contained in this chapter, the department, upon request, shall render assistance in the collection of any delinquent account or debt owing to any claimant agency by setting off any refunds due the debtor from the department by the sum certified by the claimant agency as delinquent debt.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-60. Notification by claimant agency; refund determinations; department liability.

- (A) A claimant agency seeking to attempt collection of a delinquent debt through setoff shall notify the department in writing and supply information the department determines necessary to identify the debtor whose refund is sought to be set off. A request for setoff may be made only after the claimant agency has notified the debtor of its intention to cause the debtor's refund to be set off not less than thirty days before the claimant agency's request to the department. The claimant agency promptly shall notify the debtor when the liability out of which the setoff arises is satisfied. The claimant agency promptly shall notify the department of a reduction in the delinquent debt.

(B) Upon receiving the certification of the claimant agency of the amount of the delinquent debt, the department shall determine if the debtor is due a refund. If the debtor is due a refund of more than a tolerance amount as determined by the department, the department shall set off the delinquent debt against the amount of the refund. The department may retain an amount not to exceed twenty-five dollars of each refund set off to defray its administrative expenses, and that amount may be added to the debt. Apportionment is not required in the case of a refund resulting from filing a joint return. A person has no property right or property interest in a refund until all amounts due the State and claimant agencies are paid. The department shall consider a delinquent debt and debtor list provided by a claimant agency as correct and the department is not liable for a wrongful or improper setoff.

HISTORY: 1995 Act No. 76, Section 5; 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.3, eff June 18, 2003.

SECTION 12-56-62. Notice of intention to set off debt; form, delivery and presumption.

The notice of intention to set off must be given by mailing the notice, with postage prepaid, addressed to the debtor at the address provided to the claimant agency when the debt was incurred or at the debtor's last known address. The giving of the notice by mail is complete upon the expiration of thirty days after deposit of the notice in the mail. A certification by the claimant agency that the notice has been sent is presumptive proof that the requirements as to notice are met, even if the notice actually has not been received by the debtor. The notice must include a statement of appeal procedures available to the debtor, substantially as follows:

"According to our records, you owe the (claimant agency) a debt in the amount of (amount of the debt), plus interest, if applicable, for (type of debt). You are hereby notified of the (claimant agency's) intention to submit this debt to the South Carolina Department of Revenue to be set off against your individual income tax refunds until the debt is paid in full. Pursuant to the Setoff Debt Collection Act, this amount, plus all costs, will be deducted from your South Carolina individual income tax refunds unless you file a written protest within thirty days of the date of this notice. If you file a joint return with your spouse, this amount will be deducted from the total joint refunds without regard to which spouse incurred the debt or actually withheld the taxes. The protest must contain the following information:

- (1) your name;
- (2) your address;
- (3) your social security number;
- (4) the type of debt in dispute; and
- (5) a detailed statement of all the reasons you disagree with or dispute the debt.

The original written protest must be mailed to the (claimant agency) at the following address: (address of the entity requesting the setoff)".

HISTORY: 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.4. eff June 18, 2003.

SECTION 12-56-63. Protest procedure; administrative fees.

- (A) A debtor who protests the debt shall file a written protest with the claimant agency at the address provided in the claimant agency's notification of intention to set off. The protest must be filed within thirty days of the date of the notice of intention to set off and must contain the debtor's name, address, and tax identification number, identify the type of debt in dispute, and give a detailed statement of all the reasons that support the protest. The requirements of this section are jurisdictional.
- (B) To recover costs incurred by the Municipal Association of South Carolina and the South Carolina Association of Counties for submitting a debt pursuant to this chapter and Section 12-4-580 to the department for collection, the association may charge an administrative fee, not to exceed twenty-five dollars, that must be added to the debt. An association is exempt from the notice and appeal procedures of this chapter. The entity that has submitted its claim through the association is responsible for the notice and hearing requirements of this chapter.

HISTORY: 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.5, eff June 18, 2003.

SECTION 12-56-65. Protest and contested case hearings; refunds; erroneous retention or set off; time limit.

- (A) Before submitting a debt to the department, the claimant agency shall appoint a hearing officer to hear a protest of a debtor. This hearing officer is vested with the authority to decide a protest in favor of either the debtor or the claimant agency. The claimant agency shall certify to the department, on a form prescribed by the department, that a hearing officer has been appointed and shall inform the department of the name, address, and telephone number of the hearing officer. If this hearing officer is unable to serve at any time, the claimant agency shall appoint another hearing officer.
- (B) Upon receipt of a notice of protest, the claimant agency shall notify the department that a protest has been received and shall hold an informal hearing at which the debtor may present evidence, documents, and testimony to dispute the debt. The claimant agency shall notify the debtor of the date, time, and location of the informal hearing. At the conclusion of the informal hearing, the hearing officer shall render his determination. Upon receipt of a sworn certification from the hearing officer that he held an informal hearing and ruled in favor of the claimant agency, the department may proceed to collect the delinquent debt regardless of a subsequent appeal by the debtor.
- (C) A debtor may seek relief from the hearing officer's determination by requesting, within thirty days of the determination, a contested case hearing before the Administrative Law Judge Division. A request for a hearing before the Administrative Law Judge Division must be made in accordance with its rules.
- (D) If a portion of the delinquent debt is collected by the department and the determination of the hearing officer in favor of the claimant agency is later reversed or the debtor prevails in a claim for refund, the claimant agency shall refund the appropriate amount to the taxpayer, including the appropriate amount of the fee. That portion of the refund reflecting the department's fee must be paid from claimant agency funds. If the claimant agency is found to be entitled to a portion of an amount collected by set off, it is not required to refund the setoff fee retained by the department.

- (E) If a refund is retained in error, the claimant agency shall pay to the taxpayer interest calculated as provided in Section 12-54-20 from the date provided by law after which interest is paid on refunds until the appeal is final, except that interest does not accrue when the claimant agency is the Office of Child Support Services of the South Carolina Department of Social Services.
- (F) If the claimant agency determines that money has been erroneously or illegally collected, the claimant agency, in its discretion, may issue a refund, even if the debtor does not file a protest or file a claim for refund.
- (G) A collection may not be contested more than one year after the date it was made. The date of collection must be conclusively determined by the department. This provision must be construed as a statute of repose and not as a statute of limitation.
- (H) A debtor may make a claim for refund of an amount collected pursuant to this chapter within one year from the date the amount is collected, in the same manner as seeking relief from a hearing officer's determination pursuant to Section 12-56-65 or 12-56-67.

HISTORY: 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.6, eff June 18, 2003.

SECTION 12-56-67. Jury trial rights.

This section does not create a right to jury trial where one does not already exist. Where a debtor otherwise is entitled to have a jury determine the issue of indebtedness, that right is preserved specifically. If a right to a jury trial already exists and the debtor wishes to exercise that right, the debtor is not required to request a contested case hearing before the Administrative Law Judge Division but instead must file a summons and complaint in the Court of Common Pleas and serve the pleadings on the claimant agency within thirty days from the date of the hearing officer's determination. The summons and complaint must name the claimant agency as a defendant and the allegations of the complaint must contest the debt and any potential setoff.

HISTORY: 1999 Act No. 114, Section 3.

SECTION 12-56-70. Priority of claims to refund.

Claims to refunds allowed to be set off under this article must be made by a claimant agency filing a written notice with the department of its intention to effect collection through setoff under this article. The following is the order of priority for multiple claims filed:

- (1) claims of the Department of Revenue;
- (2) claims of the Division of Child Support Enforcement of the State Department of Social Services;
- (3) other claims of the State Department of Social Services and other state agencies;
- (4) claims of the Internal Revenue Service and claims filed by institutions of higher learning;
- (5) claims of other agencies not given a specific priority.

Priority within a class in which multiple claims are filed is the order in time in which the claimant agencies filed the written notice with the department of the intention to effect collection through setoff under this article.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-80. Proceeds collected transmitted to agency; accounting provided by department to agency; credit to debtor's obligation by agency; notification of agency to debtor of setoff.

- (A) Simultaneously with the transmittal of proceeds collected to a claimant agency, the department shall provide the agency with an accounting, which, whenever possible, must include the full names of the debtors and the debtors' social security numbers. No federal tax return information may be divulged by the department under any circumstances.
- (B) Upon receipt by a claimant agency of proceeds collected on its behalf by the department and an accounting thereof as specified under this section, the agency shall credit the debtor's obligation and shall notify the debtor in writing of the amount of the setoff.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-90. Information from department to be used only by agency for collection purposes; penalties for disclosure.

- (A) The exchange of information among the department, claimant agency, and the debtor pursuant to this chapter is lawful.
- (B) The information obtained by a claimant agency from the department in accordance with the exemption allowed by subsection (A) may be used by the agency only in the pursuit of its debt collection duties and practices. A person employed by or formerly employed by the agency who discloses the information for another purpose is subject to the penalties provided in Section 12-54-240.

HISTORY: 1995 Act No. 76, Section 5; 1998 Act No. 432, Section 16.

SECTION 12-56-100. Indemnification of department by agency.

Claimant agencies shall indemnify the department against any injuries, actions, liabilities, or proceedings arising from performance under the provisions of this chapter.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-110. Department regulations, forms and procedures permitted.

The department may promulgate regulations and prescribe forms and procedures necessary to implement this chapter.

HISTORY: 1995 Act No. 76, Section 5; 1999 Act No. 114, Section 3.

SECTION 12-56-120. Department and Internal Revenue Service exempt from notice and appeal procedures; other procedures as exclusive remedy.

The department and Internal Revenue Service are exempt from the notice and appeal procedures of this chapter. The sole and exclusive appeal procedure for the setoff of a debt owed to the department is governed by the provisions of Chapter 60 of Title 12. The appeal procedure in connection with a liability to the Internal Revenue Service is governed by Title 26 of the United States Code.

HISTORY: 1999 Act No. 114, Section 3; 2001 Act No. 89, Section 38, eff July 20, 2001.

NOTICE AND APPEAL REQUIREMENTS FOR THE SETOFF DEBT COLLECTION ACT

The Setoff Debt Collection Act imposes strict requirements as to the notice and appeal procedures.

1. The Act specifies the language of the notice letter that **MUST** be followed verbatim.
2. The Act now eliminates the certified mailing requirements and allows the notice to be sent by regular mail.
3. The notice may be mailed to the address the debtor provided to you at the time the debt was incurred or to the debtor's last known address.
4. The certification that the notice has been sent is presumptive proof that the requirements as to notice have been met.
5. The Act requires the debtor's Notice of Protest to be in writing and sent to an address that you specify in your notice letter to the debtor.
6. The debtor's Notice of Protest must contain the debtor's name, address, social security number, the type of debt in dispute, and a detailed statement of the reasons the debtor disputes the debt.
7. The requirements of the debtor's Notice of Protest are jurisdictional. This means they must be followed by the debtor. Failure to follow them is grounds to dismiss the debtor's Protest.
8. The Act requires you to appoint a **HEARING OFFICER** to hear debtor protest.
9. The Act requires you to notify the Department of the name, address, and telephone number of the **HEARING OFFICER**.
10. The Act vests the **HEARING OFFICER** with the power to decide debtor protest in favor of either the debtor or the claimant agency.
11. If a Notice of Protest is received by a debtor, the Act requires; (i) you to immediately notify the Department of the protest on a form prescribed by the Department; (ii) you to notify the debtor of the date, time, and location of the informal hearing using the address provided by the debtor in his notice of protest; (iii) the **HEARING OFFICE** conducts an informal hearing at which the debtor shall be allowed to present evidence, documents, and testimony as to why the debt is not due, and (iv) if the protest is decided in favor of the claimant agency, the Act requires the **HEARING OFFICE** to certify such to the Department before any setoff will be made by the Department.

12. The Act specifically provides for appeals from the Hearing Office's decision, but allows the setoff to be made in the meantime. If the debtor is entitled to a jury trial and wishes to exercise that right, he must file and serve a lawsuit within thirty days of the date the Hearing Office's decision was rendered. Otherwise, the debtor must request a contested case hearing before the Administrative Law Judge Division in accordance with its rules.
13. If the appeal from the Hearing Office's decision is later decided in favor of the debtor, you will be required to refund the appropriate amount to the debtor plus interest. If the claimant agency is found to be entitled to no part of the amount set off, you must refund the entire amount set off on your behalf, including the administrative fee retained by the Department plus interest calculated as provided in Section 12-54-20. However, if you are found to be entitled to any portion of the amount set off, you are not required to refund the administrative fee retained by the Department, and only must refund the appropriate amount plus interest calculated as provided in Section 12-54-20.

The Department has enclosed five forms. Most of the content of the **first three forms is mandated by statute**. While the last two forms are not mandatory, it is strongly suggested that you use either these forms or ones that are substantially similar. The forms are as follows:

1. Notice Letter to Debtor.
2. Notice to the Department of Protest by Debtor.
3. Certification of Hearing.
4. Decision of the Hearing Office.
5. Appeal of Decision of the Hearing Office.

The Department recommends that every decision of the Hearing Office be in writing and be delivered to the debtor, along with instructions on how to appeal the decision of the Hearing Office. Forms four and five above have been provided for this purpose.

A copy of the Setoff Debt Collection Act is enclosed for your convenience. It is highly recommended that you consult with your attorney if you have any questions about the Setoff Debt Collection Act.

NOTICE LETTER TO DEBTOR

**PLEASE BE ADVISED THE ACT SPECIFIES
THE LANGUAGE OF THE NOTICE WHICH MUST BE SUBSTANTIALLY
FOLLOWED.**

THE LETTER IS AS FOLLOWS:

According to our records, you owe (the claimant agency) a debt in the amount of (amount of debt), plus accruing interest if applicable, for (type of debt). You are hereby notified of (the claimant agency's) intention to submit or resubmit this debt to the South Carolina Department of Revenue for collection through the Setoff Debt Collection Act and/or Governmental Enterprise Accounts Receivable Collections Program (GEAR) until the debt is paid in full.

The Setoff Debt Collection Act allows the Department of Revenue to deduct, from any refund, this amount plus all costs, including a \$25 administrative fee. If you file a joint return with your spouse, this amount will be deducted from the total joint refund without regard to which spouse incurred the debt or actually withheld the taxes.

The GEAR Program, S.C. Code Section 12-4-580, authorizes the Department of Revenue to utilize all rights and powers of collection allowed it under Title 12 in collection of the above debt. These powers include garnishment of wages, seizure of bank accounts, sales of real or personal property, and the revocation of any license.

The Department will utilize the powers granted under Title 12 of the S.C. Code unless you file a written protest, within thirty (30) days from the date of this notice, with the information contained below:

- 1. your name;**
- 2. your address;**
- 3. your social security number;**
- 4. the type of debt in dispute; and**
- 5. a detailed statement of all reasons you disagree with the debt amount or dispute that you owe the debt.**

The original written protest must be mailed to (the claimant agency) at the following address: (address of entity requesting the setoff)

NOTICE TO THE DEPARTMENT OF PROTEST BY DEBTOR

PLEASE BE ADVISED THE ACT REQUIRES THAT YOU MUST IMMEDIATELY NOTIFY THE DEPARTMENT (ON A FORM PRESCRIBED BY THE DEPARTMENT) IF THE DEBTOR FILES A WRITTEN PROTEST. THE INFORMATION WHICH MUST BE SUBMITTED TO THE DEPARTMENT IS AS FOLLOWS:

Claimant Agency: _____ Agency ID# _____
Debtor Name: _____
Debtor SSN: _____
Orig. Debt Amount: _____

The above debtor has filed a notice of protest with the undersigned claimant agency.

Signature

Print Name

Date: _____

Mail To: SC Dept of Revenue
Attn: Loretta Patterson/Kalesha Campbell
Protest: Setoff Debt Collection Act
PO Box 125
Columbia SC 29214

CERTIFICATION OF HEARING

PLEASE BE ADVISED THE ACT REQUIRES THAT ONCE A PROTEST HAS BEEN FILED BY A DEBTOR, NO SETOFF CAN BE MADE UNLESS AND UNTIL THE HEARING OFFICER CERTIFIES TO THE DEPARTMENT (ON A FORM PRESCRIBED BY THE DEPARTMENT) THAT HE HAS CONDUCTED A HEARING AND RULED IN FAVOR OF THE CLAIMANT AGENCY. THE FORM WHICH MUST BE SUBMITTED TO THE DEPARTMENT IS AS FOLLOWS:

Claimant Agency: _____ Agency ID#: _____
Debtor Name: _____ Hearing Date _____
Debtor SSN: _____
Orig. Debt Amount: _____

I certify that I have conducted a hearing in the above matter, in accordance with SC Code Section 12-56-65, and have ruled in favor of the claimant agency. I further certify that:

- The amount of the debt originally submitted has not changed.
- The amount of the debt has been REDUCED and the new amount is _____
- The debtor did not appear for the hearing; therefore, the amount of the debt originally submitted is correct.

Signature of Hearing Officer

(Print name of Hearing Officer)

SWORN to before me this _____
Day of _____, _____

Notary public for South Carolina
My commission expires: _____

Mail form to SC Dept of Revenue, Attn: Loretta Patterson/Kalesha Campbell, Protest: Setoff Debt Collection, PO Box 125, Columbia SC 29214.

Decision of the Hearing Officer

Entity/Claimant Agency: _____ Agency ID#: _____
Debtor Name: _____ Informal Hearing Date: _____
Debtor SSN/FEI: _____
Original Debt Amt: _____
Orig. Submission Date: _____

This matter came before me for informal hearing pursuant to S.C. Code Section 12-56-65. I find that:

- No amount is due from the debtor.
- The amount of the debt originally submitted through the Debt Setoff Collection Act should be REDUCED and the proper amount due is _____.
- The amount of the debt originally submitted through the Debt Setoff Collection Act is correct and is rightfully due from the above debtor.
- The debtor did not appear for the hearing; therefore, the amount of the debt originally submitted is correct.

The specific reasons for my rulings are as follows:

Signature of Hearing Officer

Print name of Hearing Officer

THIS FORM CAN BE GIVEN TO THE DEBTOR AND A COPY KEPT FOR YOUR RECORDS. IT IS NOT NECESSARY TO SEND THIS FORM TO THE DEPARTMENT OF REVENUE.

Appeal of Decision of the Hearing Officer

If you are dissatisfied with the decision of the Hearing Officer, you have a right to appeal.

Administrative Appeal.

You may appeal the decision of the Hearing Officer by requesting a contested case hearing before the Administrative Law Judge Division. The request must be made in writing within thirty days of the date the Hearing rendered his decision and must be made in accordance with the rules of the Administrative Law Judge Division. Pursuant to S.C. Code Ann. Section 12-56-65, the appeal will not stop a setoff of your tax refund from occurring. If you are successful on appeal, you will receive a refund of the appropriate amount. However, if any portion of the debt is found to be due, you will not receive a refund of the administrative fee retained by the S.C. Department of Revenue.

Jury Trial.

The Setoff Debt Collection Act does not create a right to a jury trial where one does not already exist. However, depending on the type of debt, other laws of South Carolina may entitle you to demand to have a jury determine the issue of indebtedness. In cases where a right to jury trial already exists and you wish to exercise that right, you will not be required to request a contested case hearing before the Administrative Law Judge Division, but instead, must file a summons and complaint in the Court of Common Pleas and serve the same on the claimant agency within thirty days from the date the Hearing Officer's decision was rendered. The summons and complaint must name the claimant agency as a defendant and the allegations of the complaint must contest the debt and any potential setoff. Pursuant to S.C. Code Ann. Section 12-56-65, the appeal will not stop a setoff of your tax refund from occurring. If you are successful on appeal, you will receive a refund of the appropriate amount. However, if any portion of the debt is found to be due, you will not receive a refund of the administrative fee retained by the S.C. Department of Revenue.



SOUTH CAROLINA DEPARTMENT OF REVENUE
NOTICE OF ADJUSTMENT For Period
OR PROPOSED ASSESSMENT

I-267
 (Rev. 11/18/05)
 3049

Your South Carolina tax return, Form _____ has been corrected as shown below. See reverse side for instructions. **This demand is not applicable if you are currently in bankruptcy. Any monies due will be sought in accordance with the provisions of Title 11.**

Date 07-10-12

613033

M IIII IIT NOA

Document #
 Taxpayer's SSN/FEI
 Spouse's SSN

OFFICE USE

1. SC Taxable Income Shown On Return/Previous Adjustment	1.	\$	19,728.00
2. Corrections (See reason(s) below)	2.		
3. Corrected Taxable Income	3.		19,728.00
4. Corrected Tax _____ Lump Sum Tax _____ Total	4.		913.00
5. Credits (Nonrefundable)	5.		
6. Payments: _____ Subtotal			
Withholding _____ Payment with Return _____			
Declaration _____ Payment with Extension _____			
Tuition Tax Credit _____			
		Total Payments	6. 1,200.00
7. _____	7.		287.00
8. Transferred Est. Tax _____ Previous Overpayment _____		Total Adjustments	8. _____
Outstanding Debts _____			9. _____
9. Contributions and/or Use Tax			
10. Penalty _____ Declaration Penalty _____ Total Pen. ▶	10.		
11. Interest _____ Total Int. ▶	11.		
12. AMOUNT YOU OWE	▶ 12.	\$	

OUTSTANDING DEBT: YOUR RETURN HAS BEEN PROCESSED AND A PORTION OR ALL OF YOUR REFUND HAS BEEN APPLIED TO AN OUTSTANDING DEBT WITH THE AGENCY LISTED BELOW. UNDER THE PROVISIONS OF CHAPTER 56 TITLE 12 OF THE SC CODE OF LAWS, THE SC DEPT OF REVENUE MUST APPLY YOUR REFUND TO THE OUTSTANDING DEBT (S). IF YOU HAVE ANY QUESTIONS OR WISH TO APPEAL THE SEIZURE OF YOUR REFUND, CALL OR WRITE THE APROPRIATE AGENCY(S) LISTED BELOW.
 A \$25 ADMINISTRATIVE FEE HAS BEEN CHARGED BY SC DEPT OF REVENUE.

AGENCY/INSTITUTION NAME	SSN OF	AMOUNT TRANSFERRED TO
TELEPHONE NUMBER	DEBTOR	AGENCY/INSTITUTION
		\$130.32
SC DEPT OF REVENUE		
300 OUTLET POINTE BLVD		
COLUMBIA, SC 29210	RECEIVABLE	
(803) 898-5709	#00000000	

CORRECTION OF RETURN: Please compare the items of information on the front of this notice with the same information on your copy of your South Carolina tax return. **Figures on this form which differ from those on your copy of your tax return are corrections.**

REFUND: If you are due a refund, a check will be mailed to you within (thirty) 30 days of this notice.

ADDITIONAL AMOUNT DUE: If you owe an additional amount it must be paid within thirty (30) days of the date of this notice. **Exception:** If you filed a balance due return for the current year, the amount due must be paid by April 15 to avoid penalty and interest.

APPEAL PROCEDURE: If you disagree with this adjustment or proposed assessment, you are entitled to appeal the findings under the following procedures.

- A. If you agree with the adjustment, the additional amount due should be paid within 30 days of the date on this proposed assessment to avoid additional interest and penalties, if applicable.
- B. You may agree with portions of the proposed assessment and disagree with others. The portion of the assessment with which you agree may be paid to avoid additional interest and penalty, and the remainder can be appealed.
- C. **If you disagree with part or all of the proposed assessment, you may make an appeal by sending a written protest within 90 days from the date on this proposed assessment.**

Protest forms (C-245) are available by calling (803) 898-5320 or you may visit any SC Department of Revenue office. You may choose to send a letter rather than using the Form C-245. The letter must contain the following information.

- 1. Taxpayer's name (individual, corporation, etc.);
- 2. Taxpayer's identification number (Social Security, Federal Employer Identification, License, etc.);
- 3. Period for which the tax is proposed;
- 4. Type of tax in dispute (individual income, sales, etc.);
- 5. All of the reasons you disagree with the proposed assessment.

If you have any questions, call the telephone number shown on the front of this proposed assessment.

ATTACH A COPY OF THIS NOTICE TO YOUR PAYMENT AND TO ANY CORRESPONDENCE. THE MAILING ADDRESS IS:

**SC DEPARTMENT OF REVENUE
NOA
COLUMBIA, SC 29214-0011**

OUTSTANDING DEBTS (if indicated on front): Under the provisions of 12-56-10 through 12-56-110 and 12-53-20 of the South Carolina Code of Laws, the South Carolina Department of Revenue is authorized to seize refunds otherwise due to taxpayers who have delinquent debts with the South Carolina Department of Revenue, Internal Revenue Service, other government agencies, and public or private institutions of higher learning.

If your refund was seized, the name, address, and telephone number of the agency which requested the seizure are printed on the lower section of the front of this form. **IF YOU HAVE ANY QUESTIONS OR WISH TO APPEAL THE SEIZURE OF YOUR REFUND, WRITE OR CALL THE AGENCY WHICH REQUESTED THE SEIZURE** at the address or telephone number given.

TAXPAYER'S BILL OF RIGHTS

The Taxpayers' Bill of Rights gives you certain rights when dealing with the South Carolina Department of Revenue. These include the right to:

- 1. File an application for relief with the taxpayer advocate in a situation where you are suffering or are about to suffer a significant hardship as a result of the manner in which the Department of Revenue is administering the tax laws.
- 2. Advance notification that your hearing may be recorded and a copy sent to you.
- 3. The publication of clear, concise and non-technical statements of taxpayer rights mailed with each notice of audit.
- 4. Have your attorney, accountant or other designated agent present at a hearing.
- 5. The establishment by the Department of Revenue of an appeals process for modifying or releasing liens.
- 6. Bring action against the state for damages suffered because of disregard of Department of Revenue policy by an employee.

SOUTH CAROLINA DEPARTMENT OF REVENUE

2015 GEAR Collections Application



Governmental Enterprise Accounts Receivable



SOUTH CAROLINA DEPARTMENT OF REVENUE

GEAR

Governmental Enterprise Accounts Receivable Collections

Introduction

Cover Letter	1
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General Information

Important Dates	2
General Information	3
SC Revenue Procedural Bulletin	8
Application for Participation	15
Application Instructions	17
Media Request Form	19
Implementation Procedures	20

The Law

Chapter 56 of SC Code of Laws	23
Section 12-4-580 of SC Code of Laws	28

Appeals

Notice and Appeal Requirements	29
Notice of Protest by Debtor	31
Certification of Hearing	32
Decision of Hearing Officer	33
Appeal of Decision of Hearing Officer	34
Appeal of Decision of Hearing Officer Form	35

Sample Notice Letters

Notice Letter to Debtor	36
Notice of Assessment	37
Notice of Adjustment	39
Notice of Certification for Collections	41
Notice of Levy	42
Notice of Bankruptcy Filing Form	44
Notice to Submit Payments Received	45

State of South Carolina
Department of Revenue
300A Outlet Pointe Boulevard, P.O. Box 125, Columbia, South Carolina 29214

Dear GEAR DEBT COORDINATOR:

The Department of Revenue is excited about partnering with you again in the collection of debts owed to South Carolina governmental entities. Thank you for allowing us to provide collection services to you through GEAR in 2014. The GEAR Program has been a success for the sixty-seven (67) entities participating so far and we are looking forward to an even greater success in 2015.

An application to participate in the calendar year 2015 GEAR Program is enclosed. Please read the information and instructions thoroughly before completing the application. The information will assist you in completing the application as well as answer many questions you may have. As always, please take special note of the appeal requirements.

As you are aware, the GEAR Program (Section 12-4-580 of the South Carolina Code of Laws) authorizes the Department of Revenue to contract with any other governmental entity to collect outstanding liabilities owed. In administering the provisions of such agreements, the SCDOR has all the rights and powers of collection allowed it under Title 12 for the collection of taxes and all such rights and powers authorized the governmental entity to which the liability is owed. Participation in the GEAR Program not only places participates in the Setoff Debt Collection Program but carries the collection process to a higher level than the yearly income tax refund seizure. GEAR uses an extensive letter campaign followed by wage garnishments, payment agreements, and payment levies.

We also remind you of Proviso 117.37 of the General Appropriations Bill for FY2014-2015. The Proviso provides that each state agency shall provide to the Chairmen of the Senate Finance, House of Representatives Ways and Means Committees, and Inspector General a report detailing the amount of its outstanding debt and all methods it has used to collect the debt. The report is due by the last day of February. Remember to include the GEAR Program in your report.

Please contact Doris Mosley, GEAR Debt Coordinator, at 803-898-5694, email mosleyd@sctax.org or Sheri Dunbar, GEAR Debt Coordinator, at 803-898-5376 or email dunbars@sctax.org if we may provide additional information. We look forward to working with you in 2015.

Sincerely,
SOUTH CAROLINA DEPARTMENT OF REVENUE COLLECTION SERVICES

Enclosures

GEAR Program Dates to Remember

July 1- July 31	Department of Revenue (DOR) will mail application packet.
August 31	Application for Participation is due on or before to SCDOR.
Sept 1 – Sept 30	SCDOR will notify agency that application has been received and requested record layout format and instructions will be mailed.
Sept 1 – Sept 30	DOR will mail inventory report to agency providing listing of debtors to be notified on behalf of agency. Any adjustments should be mailed back to Doris Mosley or Pamela Johnson within two (2) weeks
December 1	CD/Diskettes and Files Transfer are due to SCDOR for Debt Setoff.

NOTE: Notice Letter to Debtor and Due Process must be given to debtor no less than thirty (30) days prior to submitting name and social security number to SCDOR for collections.

PLEASE READ INFORMATION THOUROUGHLY

GENERAL INFORMATION

I. Notice to Debtor

- A. Before a request for collection may be made, **the claimant agency must notify the debtor of its intention to cause the debtor's refund to be setoff** no less than thirty (30) days before the request is submitted to the department. This notice must be given by mailing the notice, with postage prepaid, addressed to the debtor at the address provided to the claimant agency when the debt was incurred or at the debtor's last known address. The notice must include a statement of appeal procedures available to the debtor, substantially as follows:

'According to our records, you owe (the claimant agency) a debt in the amount of (amount of debt), plus interest if applicable, for (type of debt). You are hereby notified of (the claimant agency's) intention to submit and/or resubmit this debt to the South Carolina Department of Revenue through the Setoff Debt Collection Act and/or the Governmental Enterprise Accounts Receivable Collections Program (GEAR) until the debt is paid in full.

The Setoff Debt Collection Act allows the Department of Revenue to deduct, from any refund, this amount plus all costs, including a \$25 administrative fee. If you file a joint return with your spouse, this amount will be deducted from the total joint refund without regard to which spouse incurred the debt or actually withheld the taxes.

The GEAR Program, SC Code Section 12-4-580, authorizes the Department of Revenue to utilize all rights and powers of collection allowed under Title 12 in collection of the above debt. These powers include garnishment of any wages, seizure of bank accounts, sales of real or personal property, and the revocation of any license.

The Department of Revenue will utilize the powers granted under Title 12 of the SC Code unless you file a written protest, within thirty (30) days from the date of this notice, with the information contained below:

- 1. your name;**
- 2. your address;**
- 3. your social security number;**
- 4. the type of debt in dispute; and**
- 5. a detailed statement of all reasons you disagree with the debt amount or dispute that you owe the debt**

The original written protest must be mailed to the (claimant agency) at the following address: (address of entity requesting the collection)'

II. Review by Claimant Agency

A debtor who protests the debt shall file a written protest with the claimant agency at the address provided in the claimant agency's notification of intention to setoff. The protest must be filed within thirty days of the date of the notice of intention to setoff and must contain the debtor's name, address, and social security number, identify the type of debt in dispute, and give a detailed statement of all the reasons which support the protest. The requirements of this section are jurisdictional.

Before submitting a debt to the department, the claimant agency shall appoint a hearing officer to hear a protest of a debtor. This hearing officer is vested with the authority to decide a protest in favor of either the debtor or the claimant agency. The claimant agency shall certify to the department, on a form prescribed by the department, that a hearing officer has been appointed and shall inform the department of the name, address, and telephone number of the hearing officer. If this hearing officer is unable to serve at any time, the claimant agency shall appoint another hearing officer. **This information will be submitted on the GEAR Application.**

Upon receipt of a notice of protest, the claimant agency shall notify the department that a protest has been received and shall hold an informal hearing at which time the debtor may present evidence, documents, and testimony to dispute the debt. The claimant agency shall notify the debtor of the date, time, and location of the informal hearing. At the conclusion of the informal hearing, the hearing officer shall render his determination. Upon receipt of a sworn certification from the hearing officer that he held an informal hearing and ruled in favor of the claimant agency, the department may proceed with the setoff, regardless of a subsequent appeal by the debtor. The department must be notified by the claimant agency hearing officer of a protest at the following address:

**SC Department of Revenue
Attn: Doris Mosley or Sheri Dunbar
Protest – GEAR
PO Box 125
Columbia, SC 29214**

If a setoff is made and the determination of the hearing officer in favor of the claimant agency is later reversed, the claimant agency shall refund the appropriate amount to the taxpayer. If the claimant agency is found to be entitled to no part of the amount setoff, it shall refund the entire amount plus the administrative fee retained by the department. That portion of the refund reflecting the administrative fee must be paid from claimant agency funds. If the claimant agency is found to be entitled to a portion of the amount setoff, it is not required to refund the administrative fee retained by the department.

III. Application for Participation

- B. On or before August 31 of each year, claimant agencies must furnish to the department an application with the information listed below. This application is effective only to initiate setoff against refunds in the subsequent calendar year.
- a) The name, address, and telephone number of the individual or section to whom the department should direct inquiries, if further information is required.
 - b) An estimate of the number and dollar amount of accounts to be forwarded for possible setoff.
 - c) A letter of authorization from the claimant agency head which includes the name, title and sample signature of the person(s) authorized to make requests for service.
 - d) The name, address, and telephone number of the assigned hearing officer for protests, if necessary.
- C. CD Rom, diskettes and file transfer are the transmitting mediums. Formats for the selected medium will be mailed by September 30 along with confirmation of your application.
- D. Priority in multiple claims to refunds allowed to be setoff must be in the order in time which a claimant agency has filed an application of participation with the department. However, claims filed by any agency of state government have priority over claims filed by the Internal Revenue Service or an institution of higher learning. Notwithstanding this priority according to time of filing, the department has priority over all other claimant agencies for collection by setoff whenever it is a competing agency for a refund.

IV. Submission of Debts

- A. Before **December 1**, claimant agencies must forward a CD Rom, diskette, or file transfer of their debt files along with a **statement certifying them for collection**. Such statement should be signed by the claimant agency head or the person(s) authorized to make requests for service and contain language similar to the following:

That all liabilities submitted to the Department for collection under this program meet the requirements of S.C. Code Section 12-4-580(D) (2) in that each liability is “a debt which is certified by the governmental entity to be owed it for which all rights of administrative or judicial appeal have been exhausted, or all time limits for those appeals have expired.”

That with respect to each liability submitted to the Department for collection under this program that it has adopted and followed the due process procedures contained in Sections 12-56-62, 12-56-63(a), 12-56-67 and 12-56-70, with the additional language in the notice letter that was specified by the Department.

THIS STATEMENT MUST ACCOMPANY THE INITIAL SUBMISSION

Pursuant to 12-56-60, the information certifying the debt files for collection must be received before **December 1** in order to offset refunds to be made in the subsequent year.

CD Rom and diskettes should be mailed or delivered to:

**Doris Mosley or Sheri Dunbar, GEAR Coordinator
South Carolina Department of Revenue
Post Office Box 125
Columbia, South Carolina 29214**

B. Claimant agencies must submit to the department a list of claims which includes:

- a) Debtor's name
- b) Social Security number
- c) Agency number (code)
- d) Agency I.D. number (fund)
- e) Debt amount
- f) Date of default

C. It is extremely important that the above information is transmitted accurately. It shall be the responsibility of the claimant agency to insure the accuracy of claims submitted. No claims will be processed unless submitted in required form.

V. Submission of Updates: Deletions and Reductions in Debt Amount

The certified list of claims must be received by the department by **December 1** of each calendar year. Changes such as deletions/additions of accounts and reductions in debt amount may be made throughout the year. However, the amount of debt requested cannot be increased after December 1. Corrections can be made only by returning information on selected medium. Updates require the same data as new submissions

VI. Collections

Pursuant to the Governmental Enterprise Accounts Receivable Collections Program, S.C. Code Section 12-4-580, the Department is authorized to utilize all rights and powers of collection allowed it under Title 12 of the S.C. Code for the collection of taxes and all rights and powers of the entity/claimant agency in the collection of debts. These powers include but are not limited to garnishment of wages; levy and seizure of bank accounts or any other intangible assets; seizure and sale of any real or personal property; the issuance of a lien which will encumber all property, both real and personal, tangible and intangible; and the revocation of any sales tax license.

The department is not required to apportion refunds resulting from filing of joint returns. The certified delinquent debt and debtor list provided by the claimant agency shall be presumed correct by the department.

VII. Transmittal of Funds and Accounting of Setoff to Claimant Agency

The Department will create two (2) separate reports listing collections through Debt Setoff and those through other collection actions. Checks for payments, less the Department fees, will be sent with the reports on a monthly basis.

VIII. Indemnification of South Carolina Department of Revenue

South Carolina Code 12-56-100 and 12-4-580 state that the claimant agencies will indemnify the department. By participating in this program, the claimant agencies acknowledge that they will indemnify the department against any injuries, actions, liabilities, or proceedings arising from performance under the GEAR contract.

IX. The Following are enclosed:

- SC Revenue Procedural Bulletin
- GEAR Implementation Information
- Chapter 56 of SC Code of Laws
- Section 12-4-580 of SC Code of Laws

If you have any questions regarding debt match processing or procedures, please contact Doris Mosley at (803) 898-5694/ email mosleyd@sctax.org or Sheri Dunbar at (803)898-5376/email dunbars@sctax.org

State of South Carolina
Department of Revenue
300A Outlet Pointe Blvd, P. O. Box 125, Columbia, South Carolina 29214

SC REVENUE PROCEDURAL BULLETIN #02-2

SUBJECT: Governmental Enterprise Accounts Receivable Collections ("GEAR")

EFFECTIVE DATE: Applies to all periods open under the statute.

SUPERSEDES: SC Revenue Procedural Bulletin #01-8 and all previous advisory opinions and any oral directives in conflict herewith.

REFERENCES: S.C. Code Ann. Section 12-4-580 (2000) as amended by Act No. 89, Section 44, 2001 Legislative Session
S.C. Code Ann. Section 12-56-10, *et. seq.* (2000)
S.C. Code Ann. Section 12-54-130 (2000)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (2000)
S.C. Code Ann. Section 1-23-10(4) (2000)
SC Revenue Procedure #99-4

SCOPE: The purpose of a Revenue Procedural Bulletin is to provide immediate procedural guidance to the public and Department personnel. **It** is a written statement issued to assist in the administration of laws and regulations by providing guidance that may be followed in order to comply with the law. A Revenue Procedural Bulletin does not have the force or effect of law, and is not binding on the public. **It** is, however, binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

I. Introduction

Conservative estimates of uncollected governmental entity debt in South Carolina exceed two billion. (\$2,000,000,000.00). To the extent that a governmental entity is unable to collect all amounts that are due it, it can be difficult for the governmental entity to budget and fund essential governmental services. These unpaid liabilities also harm those citizens who are paying their fair share, and thereby threaten the integrity of our funding system.

Over the past several years, the Department of Revenue ("Department") has begun to implement a program whereby the Department will assist in the collection of liabilities due other governmental entities. In the initial efforts, the Department has offset state income tax refunds in payment of liabilities owed governmental and educational entities under the Setoff Debt Collection Act of Chapter 56 of Title 12 ("Debt Setoff"). More recently, the Department has implemented the program known as Governmental Enterprise Accounts Receivable Collections or "GEAR"

The GEAR program was enacted in 1996. Implementation of GEAR is part of the Department's enterprise approach to using its core competencies. The program is designed to use the Department's expertise to help other governmental entities¹ in collecting their liabilities.

Over the years, the Department has developed an experienced and highly trained collection staff that is skilled in collecting liabilities and in using the collection tools granted to the Department in an efficient and compassionate manner. Through GEAR, the Department believes that it can reduce the administrative burden on these governmental entities by using our collections staff to help governmental entities collect their liabilities. These activities then relieve some of the burden of government on all citizens, and promote the integrity of the system by ensuring that we all remit our fair share.

The Department, as a state agency, is not subject to the South Carolina Consolidated Procurement Code when contracting with these governmental entities for this service. The Department is issuing this revenue procedural bulletin to provide governmental entities, debtors, and other parties who may be affected by the GEAR program, information and conditions under which the program is being administered.

II. The Law

Section 12-4-580 of the South Carolina Code of Laws ("Code") as amended by Act No. 89, Section 44, 2001 Legislative Session reads as follows:

¹ Starting in 2002, state agencies will be reporting to legislative budget committees their outstanding accounts receivables and the collection efforts being used to collect those receivables. To the extent that a governmental entity is participating in the GEAR program, it may wish to report their enrollment in the GEAR program as a collection effort.

² South Carolina has 46 counties and approximately 285 municipalities, over 80 agencies, 85 school districts, numerous institutions of higher learning, and a multitude of special purpose districts and health care facilities, almost all of which have accounts receivable and staff attempting to collect those debts.

(A) The department and any other governmental entity may contract to allow the department to collect any outstanding liabilities owed the governmental entity. In administering the provisions of such agreements, the department has all the rights and powers of collection allowed it under this title for the collection of taxes and all such rights and powers authorized the governmental entity to which the liability is owed.

(B) The department may charge and retain a reasonable fee for any collection effort made on a governmental entity's behalf. The department may expend the funds resulting from any fees so charged and retained and may carry the funds forward from one fiscal year to the next. The amount of the fee must be negotiated between the governmental entity and the department.

(C) Governmental entities that contract with the department pursuant to this section shall indemnify the department against any injuries, actions, liabilities, or proceedings arising from the department's collecting or attempting to collect the liability owed to the governmental entity.

(D) As used in this section:

(1) "governmental entity" means the State and any state agency, board, committee, department, private or public institution of higher learning; all political subdivisions of the State; and all federal agencies, boards, and departments. "Political subdivision" includes the Municipal Association of South Carolina and the South Carolina Association of Counties when these organizations submit claims on behalf of their members.

(2) "liabilities owed the governmental entity" means a debt which is certified by the governmental entity to be owed it for which all rights of administrative or judicial appeal have been exhausted or all time limits of these appeals have expired.

III **The Tools of Collection**

As noted in Section II above and Section VI following, before the Department receives a liability under the GEAR program, the governmental entity certifies that all appeal rights have been exhausted or have expired. The governmental entity also notifies the debtor that the liability is being transferred to the Department for collection. If the debtor does not satisfy the liability during the governmental entity's collection efforts, then the Department has a number of tools designed to enable it to efficiently collect those liabilities.

The first action the Department will usually take in connection with a GEAR liability is to write the debtor concerning the outstanding liability and advise him that the governmental entity has given the liability to the Department to collect. This notice advises that further action to collect the liability will be taken if the debtor does not pay the liability promptly. A Department representative may also call upon the debtor. Under the Debt Setoff program, the

Department also has the ability to offset a debtor's income tax refund. If the liability is not satisfied through these methods, the Department may also levy against the bank accounts or property of the debtor and may seek to garnish the wages of the debtor.

The Department may use all powers it has for "collection of taxes" in collecting GEAR liabilities. The remedy of garnishment is provided for in Code Sections 12-54-130 (wages) and 12-53-20 (intangibles). Code Section 12-54-130 permits withholding of 25% of the debtor's compensation if the debtor neglects or refuses to pay the liability within 10 days of notice and demand. Often a debtor will contact the Department and our representatives will negotiate an installment pay agreement as an alternative to immediate full payment or garnishment. The Department has established the following additional guidelines that it will follow regarding the garnishment of wages in connection with a liability received through the GEAR program.

1. As a general rule, the Department will seek garnishment on any debt greater than \$50. However, the Department is flexible in terms of wage garnishments. If the governmental entity request for the Department not use wage garnishments as a collections tool, the Department will grant request.
2. The Department will abide by the request of any governmental entity that the Department not use garnishment or levy when the debtor's income is below a level specified by the entity. For example, the governmental entity could request that only debtors with an annual gross income exceeding \$25,000 be subject to garnishment in payment of the governmental entity's account.
3. If a debtor's gross income is below 120% of the federal poverty level, as a general rule, the Department will not use garnishment to collect non-tax GEAR liabilities without an express request from the governmental entity. For the period October 1, 2001, to September 30, 2002, the federal poverty level for an individual is \$8,592.00 per year. Therefore, 120% of the federal poverty level is \$10,310.40 per year or \$859.20 per month. The Department will make the income determination by inquiry of the employer implementing the garnishment and use of other information available to the Department when such use does not violate laws governing confidentiality and unauthorized access. To the extent allowed by applicable law, the Department will consider all income sources of the debtor in determining whether the debtor's gross income is 120% below the federal poverty level.
4. Except as otherwise specified by the governmental entity, if the Department determines that a debtor has gross income in excess of five times the federal poverty level, the Department will use all means available to collect the liability. For the period October 1, 2001 to September 30, 2002, 500% of the federal poverty level for an individual is \$3,580.00 a month or \$42,960 a year. The Department will make the income

determination by inquiry of the employer implementing the garnishment and use of other information available to the Department when such use does not violate laws governing confidentiality and unauthorized access. To the extent allowed by applicable law, the Department will consider all income sources of the debtor in determining whether the debtor's gross income is five times the federal poverty level.

IV. **Other Collection Matters**

L. Generally, a liability must be greater than \$50 to be accepted for collection under the GEAR program. Exceptions include accumulation of multiple liabilities that exceed the threshold and liabilities that have been reduced through debt setoff.

2. The Department will consider the totality of the circumstances surrounding the liability and the debtor(s) in determining what action to pursue to collect the liability. For example, if two or more debtors are jointly and severally liable for a liability, the Department may choose to pursue collection against one of the debtors or both of the debtors. Likewise, if a debtor has several means of income, for example, he has two jobs and rental income from property, the Department may seek to garnish the wages from one or both of his jobs or may seek to levy on the property generating the rental income.

3. Unless the governmental entity requests otherwise, the Department may at any time during the collection process, establish an installment pay plan with a debtor that would allow him to pay his liability over a period of time in lieu of other collection action by the Department. Default on an installment pay plan may result in the Department's Instituting other collection efforts.

V. **Pre-existing Collection Contracts**

Participation in the GEAR program is not mandatory. When governmental entities can negotiate more favorable collection terms with private collection agencies, it may be in everyone's best interest that these tools be exhausted before a liability is enrolled in the GEAR program. The Department's goal of efficient and effective collection of each person's fair share is furthered by this private partnership and the Department does not intend to interfere with any pre-existing contractual obligations. Before referring a liability to the Department pursuant to a GEAR agreement, governmental entities must ascertain whether the referral breaches any pre-existing contracts with a private collection agency. For example, some institutions of higher learning have contracted through a statewide RFP for services with a selected private collection agency, which may or may not limit use of the GEAR program for liabilities less than nine to twelve months old. Since the Department has no way of knowing whether a particular liability has been referred, the Department is requiring that - upon referring a GEAR liability to the

Department - the governmental entity certify that each referral under the GEAR program will not breach another contract. If the Department later finds that, notwithstanding the certification, a particular liability is referred to another, the Department will stop collection, return the liability to the governmental entity, and ask the governmental entity to recertify the remaining liabilities referred to the GEAR program.

The Department notes that the enterprise government concept acknowledges that all state agencies and political subdivisions are part of one entity. Nothing in this document is intended to suggest that the State, its agencies, and political subdivisions are separate entities for purposes of enterprise debt collection. Rather, the Department wishes to acknowledge and encourage all debt collection efforts in the most economical and efficient manner to better fund governmental services for all of South Carolina's citizens.

VI. Due Process Requirements for Debts Certified to the Department

Code Section 12-4-580 provides that for the Department to collect the liability, the "liabilities owed the governmental entity" must be debt "which is certified by the governmental entity to be owed it for which all rights of administrative or judicial appeal have been exhausted or all time limits for these appeals have expired." See Code Section 12-4-580(0)(2). For purposes of this temporary revenue procedural bulletin, these requirements will be called the "due process provisions."

The governmental entity may use the due process provisions of the Debt Setoff Program to comply with the GEAR statute's requirements. In that event, the Department will accept the following "Notice to the Department of Certification for GEAR Collection."

(Name of Governmental Entity) hereby certifies that each of the debts attached meets the requirements of the definition of liabilities owed the governmental entity" in South Carolina Code Section 12-4-580(D)(2), that all rights of notice and appeal contained in the Setoff Debt Collection Act, South Carolina Code Sections 12-56-10, et seq., have been given each debtor, and that all applicable rights granted by law, regulation, judicial or other order, or administrative procedures have been allowed the debtor and have been exhausted or the time limits have expired.

[Name of entity, authorized signature, title, date]

The Department has provided to each participant a copy of its summary of the Debt Setoff program, the GEAR program, and their requirements. Other procedures may satisfy the GEAR due process provisions. The Department is available to consult with any governmental entity or its counsel with questions about what may be required by the statutes and laws governing the governmental entity's due process obligations.

VII. Fees for GEAR Participation

The statute provides that the Department may charge a reasonable fee negotiated with the governmental entity. The standard collection fee for the Department for all future GEAR contracts will be 28.5% of the liability collected. This rate is in addition to the fee charged to participate in the Debt Setoff program contained in Chapter 56 of Title 12. As noted in Section V., these rates will often apply to liabilities that remain after the failure of the governmental entity's internal efforts and those of private collection agencies that offer more competitive terms. The Department may negotiate a different rate with any of the governmental entities specified in Code Section 12-4-580(D)(1). The Department may negotiate other fee structures based upon various factors, including, but not limited to, the type, volume, and age of the debt, or the type of collection tools being utilized. As to hospitals and public and private institutions of higher learning, the Department will not increase or decrease the 28.5% fee except upon thirty days' prior public notice through the Department's on-line Policy List serve. A person can subscribe to the Policy List serve by going to the Department's website at www.sctax.org and subscribing to the advisory opinion e-mail subscription service (request@listserve.sctax.org.)

VIII. For More Information

For answers to questions concerning the GEAR program contact:

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Elizabeth Carpentier
Director (2000-2004)

March 18, 2013
Columbia, South Carolina

**GOVERNMENTAL ENTERPRISE ACCOUNTS RECEIVABLE
COLLECTIONS - GEAR**

This notice certifies that the following claimant agency will participate in **GEAR Collections Program** for the calendar year _____. Claims will not be processed without the filing of this information by August 31 of the current year.

AGENCY ID: _____

AGENCY NAME: _____

MAILING ADDRESS: _____

STREET ADDRESS: _____
(IF DIFFERENT)

CITY/STATE/ZIPCODE: _____

TELEPHONE: _____

GEAR COORDINATOR: _____

Estimated Number of Accounts to be submitted: _____

Estimated Amount of Accounts to be submitted: \$ _____

SELECT THE APPROPRIATE METHOD FOR RECEIVING PAYMENTS:

___ CHECK

___ TRANSFER - State Agencies only – (Complete the distribution fields below)

Trans Code _____ Agency Number _____ Mini Code _____
Sub Fund Code _____ Object Code _____

(Continued on back)

LETTER OF AUTHORIZATION IS ATTACHED: ___YES ___NO
(If no, please indicate your reasons why as a new letter must be submitted yearly)

PRIMARY MEDIA FOR SUBMITTING DEBTOR CLAIMS (CHECK ONE ONLY):

CD ROM: _____ DISKETTE: _____ FILE TRANSFER: _____

Check here if you wish the department to furnish you a program to create a diskette: _____
(Format and instructions will be furnished)

FURNISH A DESCRIPTION OF TYPE OF DEBT (e.g. hospital bills, etc):

A HEARING OFFICER must be appointed to hear a protest of a debtor.

Hearing Officer: _____

Address: _____

Telephone number: _____

Entity/Agency agrees to indemnify the Department of any and all damages, claims, or causes of action including all cost and attorney's fees arising from the Department's collecting or attempting to collect the liability submitted by Entity/Agency or from the Department's performance of the agreement.

Signature of GEAR Coordinator

Date

EMAIL ADDRESS FOR GEAR COORDINATOR: _____

Submit this form POSTMARKED NO LATER THAN AUGUST 31 to:

**South Carolina Department of Revenue
Doris Mosley, GEAR Coordinator or
Pamela Johnson, GEAR Coordinator
Columbia, South Carolina 29214-0215**

APPLICATION WILL BE RETURNED IF NOT COMPLETE

GEAR APPLICATION INSTRUCTIONS

A GEAR application is required for registering an entity/ agency as a participant in the GEAR Collections Program. The purpose of this form is to obtain the name and mailing address of the entity/agency, the name of the GEAR Debt Coordinator, the name and address of the Hearing Officer, and information regarding the method of payment. The Department of Revenue ("department") will work through the GEAR Debt Coordinator as the official contact with the entity/agency. All listings, notices, letters, and forms processed by the department will be submitted to the specified GEAR Debt Coordinator.

All entities must submit a GEAR application each year for collection services to be performed for the following calendar year. The application must be postmarked no later than August 31 of the current calendar year. The department is to be notified of any changes to the information appearing on GEAR application.

AGENCY ID #-This is the code used to identify your agency. State agencies may use a vendor code followed by zeros or federal identification number. Educational institutions/non-state agencies should use the federal identification number. **The Agency ID# must be used on all correspondence submitted to the department.**

AGENCY NAME - Write your entity/claimant agency's name.

MAILING ADDRESS- Furnish the complete mailing address of your agency.

STREET ADDRESS -Furnish the complete street address of your agency if different.

TELEPHONE NUMBER- List the telephone number of the GEAR Debt Coordinator.

DEBT COORDINATOR NAME - Identify the individual appointed by your agency or educational institution as the official GEAR Debt Coordinator.

ESTIMATED NUMBER AND DOLLAR AMOUNT OF NEW DEBTS- Furnish an estimate of the number of new accounts and estimate of the dollar amount to be forwarded for possible collection.

SELECT THE APPROPRIATE METHOD FOR RECEIVING PAYMENTS - Check the type of payment method your agency will use to receive funds from the GEAR program.

Check- Remittances will be made periodically as the amounts collected are processed.

Transfers - (This section is to be completed by state agencies and state supported Colleges/Universities only.) Funds for state agencies and state supported colleges and institutions may be deposited into a single account. Please furnish the codes using STAR codes. Check with your accounting department or the Comptroller General's Office if you are not sure of this information. It is very important that this information is correct.

LETTER OF AUTHORIZATION- Entities/Agencies must submit to the Department a letter of authorization from the entity/agency head that includes the name, title, and sample signature of the person(s) authorized to make requests for service. **This letter must be submitted yearly with each new application.**

PRIMARY MEDIA FOR SUBMITTING DEBTOR CLAIMS - Indicate the method in which your claims will be submitted.

CD ROM - Claims will be submitted using CD Rom.

DISKETTE- Claims will be submitted using diskette. (If you need the department to furnish a program to create a diskette, be sure to indicate in the space provided).

FILE TRANSFER- Claims will be submitted electronically to the department's GEAR Coordinator. ****File Transfer is the preferred method****

Formats for submitting your claims will be made available.

FURNISH A BRIEF DESCRIPTION OF THE DEBTS THAT WILL BE SUBMITTED - E.g. student loans, child support, hospital bills, etc.

HEARING OFFICER - Name of appointed hearing officer to hear a protest of a debtor.

HEARING OFFICER'S ADDRESS –Address for protest to be mailed.

HEARING OFFICER'S TELEPHONE NUMBER-Hearing Officers' telephone number.

TRANSMITTAL OF THE FORM- The application must be completed, signed, dated, and submitted to the department. (An application form must be submitted each year.)

NOTE: If any changes occur to the information listed on the application form during the year, please notify the department.



SC DEPARTMENT OF REVENUE
PO BOX 125
COLUMBIA, SC 29214

DEBT SETOFF COLLECTION PROGRAM
MEDIA REQUEST FORM

Entity/Agency: _____

Entity/Agency ID#: _____

Contact Person: _____

Agency Address: _____

Telephone Number: _____

Purpose of Data: Adds Updates

Type of Media Submitted: PC Diskette (Select #1 or #2) or FT Server

1. Dept of Revenue PC Diskette Program
2. What Application Software & Version Used? _____

_____ CD ROM

Number of Records with Debt Data: Amount of Debt Data:

Data Format: ASCII EBCDIC

Comments: _____

CERTIFICATION STATEMENT: I hereby certify that this organization has complied with the requirements of South Carolina Code Section 12-56-60, and that with respect to each liability submitted to the Department for collection under this program that it has adopted and followed the due process procedures contained in Sections 12-56-62, 12-56-63(A), 12-56-65, 12-56-67 and 12-56-70, with the additional language in the notice letter which was specified by the Department and that the information is, to the best of my knowledge and belief, true, correct, and complete.

SIGNATURE OF AUTHORIZED PERSON

DELIVERED TO SCDOR

SC Department of Revenue, Doris Mosley GEAR Coordinator, FAX: (803) 737-5928; Pamela Johnson, GEAR Coordinator, FAX: (803) 737-5925

GEAR IMPLEMENTATION PROCEDURES

1. Entity submitting debts must execute a GEAR contract with the Department.
2. A GEAR application form must be submitted by the Entity/Agency no later than a date determined by the Department. The application includes an estimate of the number of debts and an estimate of the total dollar amount of debts to be submitted. Estimates are provided solely for the purpose of assisting the Department in scheduling of resources. (See Page 15)
3. Before debt may be submitted in GEAR the Entity/Agency must notify the debtor of its intention to submit the debt for collection no less than thirty (30) days before the request is submitted to the Department pursuant to SC Code Section 12-56-60(A) and contain the language set forth in SC Code Section 12-56-62 with such additional language as set forth in Schedule A of the contract.
4. Debts must be submitted to the GEAR program annually; thereby, debtors must be noticed, as stated in #3 above, prior to submitting debts. Multiple debts may be submitted with the same Social Security number but the date of default must be different.
5. Upon receipt of a notice of protest, the Entity/Agency shall immediately notify the Department that a protest has been received pursuant to SC Code Section 12-56-65 (B). Entity must provide notification on document prescribed by Department. (See Page 36)
6. Department must be notified on prescribed document of Certification of Hearings of each Entity/Agency submitting debts pursuant to SC Code Section 12-56-65(B). (See Page 25)
7. Submission of debts on diskette in required format must be received by the Department no later than a date determined by the Department.

Adds - Debts being submitted to GEAR for the first time.
8. Submission of debt diskettes are to include a label with the Entity/Agency name, identification number, diskette creation date, and clearly marked appropriately as "SCDOR.GEARADD.PC." A Certification on a document prescribed by the Department must accompany each diskette. (See page 41)

9. Between September 1 and September 30 of each year, the Department will create an inventory report for each Entity/Agency. The inventory report will provide the following:

Debts presently enrolled in the GEAR program for which active and /or no active collection action (e.g. levy, payment plan, etc.) has been taken.

**REMINDER: Updates are required throughout the year regardless of debt status (active collection status vs. no active collection status).
10. Debt files/diskettes submitted timely and in the required format at the end of a calendar year, will be loaded prior to setoffs in the following calendar year. All other debt files/diskettes will be loaded into the Department GEAR system soon after submission.
11. Any payment received by Entity/Agency for liability(s) submitted to the Department must be made **payable to SC Department of Revenue** and forwarded to the Department with document prescribed by the Department. (See Page 45)
12. After the Department loads debts into the GEAR System, the Department will generate a letter to the debtor notifying that the debt has been placed with the Department for collection. The debtors will be instructed to notify the Entity/Agency of any debt issues and to contact the Department for payment Issues.
13. Accounts not resolved (e.g. payments, withdrawals, etc.) within approximately 45 days will convert to second stage. All accounts with levy sources which have not paid in full or made arrangements to pay, may be levied. Updated balance notices are mailed to debtors after each payment is posted with the Department.
14. Balance updates must be submitted on a separate diskette in the required format. Balance updates are balance reductions and withdrawals, made by the entity/agency. When the Department intercepts a refund in Debt Setoff or processes a payment from the debtor, the liability owed is automatically reduced; therefore, these records should not be sent as an update. **REMINDER: Updates are required throughout the year regardless of debt status (active collection status vs. no active collection status).
15. Debt balances for an Entity/Agency may be increased for statutory interest only after submission. Debt balances may not be increased for any other reason.
16. Balance Update diskettes must include a label with the Entity/Agency name, identification number, diskette creation date, and clearly marked "SCDOR.GEARUPDATE.PC."

17. Entity/Agency will immediately notify the Department on a form prescribed by the Department in any case where a debtor becomes the subject of a bankruptcy. Upon receipt of notification, the Department will withdraw the account from GEAR. (See Page 44)
18. Entity/Agency must withdraw accounts prior to expiration of statute of limitations for collection as determined by the attorney for the Entity/Agency. If the Entity/Agency has no defined statute of limitations, it must use three (3) years from date debt was incurred.
19. The general priority scheme of claims asserted against individual income tax refunds is set forth in S.C. Code Section 12-56-70. Within class five, Section 12-56-70(5) claims to individual income tax refunds will be prioritized by the date of receipt of the "Application for Participation."
20. Payment reports listing payments for all Entities/Agencies submitting debts will be created and sent to Entity/Agency. Department will create two (2) separate reports listing collections through Debt Setoff and those through other collection actions. Checks for payments, less the Department fees, will be sent with the reports on a monthly basis.
21. **If** accounts are not collected within two (2) years from date of placement, the Entity/Agency submitting debts may request the return of accounts. Department, at its own discretion, may return the accounts to the Entity/Agency or continue collection efforts until such time they determine that all collection efforts have been exhausted.
22. **If** an account balance becomes less than \$14.99, with no collection activity, accounts will be returned to Entity.
23. After a Notice of Protest and the Certification of the Hearing is received, the Department will continue to cease collection action to allow an Appeal of the Decision of the Hearing Officer. Collection action will resume after ample time for an appeal has been given.
24. If an Appeal of the Hearing Officer's decision is received, the Department will return the account to the Entity. Entity must provide notification on a document prescribed by the Department. (See Page 27)
25. Minimum debt to be placed with the Department is \$50.
26. Debts under a collection agreement with another agency (e.g. collection agency) cannot be placed with the Department for GEAR.

CHAPTER 56

SETOFF DEBT COLLECTION ACT

SECTION 12-56-10. Short title.

This chapter may be cited as the "Setoff Debt Collection Act". HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-20. Definitions.

As used in this chapter:

(1) "Claimant agency" means a state agency, board, committee, commission, public institution of higher learning, political subdivision, or other governmental or quasi-governmental entity of any state or the United States. It includes the South Carolina Student Loan Corporation, housing authorities established pursuant to Articles 5, 7, and 9 of Chapter 3 of Title 31 and the Internal Revenue Service, and the United States Department of Education. It also includes a private institution of higher learning for the purpose of collecting debts related to default on authorized educational loans made pursuant to Chapter 111, 113, or 115 of Title 59. "Political subdivision" includes the Municipal Association of South Carolina and the South Carolina Association of Counties when these organizations submit claims on behalf of a county or local governmental or quasi-governmental entity. A political subdivision who submits a claim through an association is a claimant agency for the purpose of the notice and appeal provisions and other requirements of this chapter.

(2) "Department" means the South Carolina Department of Revenue.

(3) "Debtor" means a person having a delinquent debt or account with a claimant agency which has not been adjusted, satisfied, or set aside by court order, or discharged in bankruptcy.

(4) "Delinquent debt" means a sum due and owing a claimant agency, including collection costs, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made. It does not include sums owed to county hospitals when the hospital and the debtor have entered into a written payment agreement and the debtor is current in meeting the obligations of the agreement. "Delinquent debt" also includes any fine, penalty, cost, fee, assessment, surcharge, service charge, restitution, or other amount imposed by a court or as a direct consequence of a final court order which is received by or payable to the clerk of the appropriate court or treasurer of the entity where the court is located.

(5) "Refund" means any individual or corporate South Carolina income tax refund payable. This term also includes a refund belonging to a debtor resulting from the filing of a joint income tax return.

HISTORY: 1995 Act No. 76, Section 5; 1996 Act No. 347, Section 1; 1996 Act No. 395, Section 1; 1998 Act No. 419, Part II, Section 55A; 1999 Act No. 114; 1999 Act No. 114, Section 4Q; 1999 Act No. 114, Section 4R; 2001 Act No. 89, Section 60A, eff July 20, 2001; 2002 Act No. 334, Section 9, eff June 24, 2002; 2003 Act No. 69, Section 3.KK.2, eff June 18, 2003.

SECTION 12-56-30. Collection of debt; information to be given by claimant agency; information to be given by department to claimant agency.

(A) The collection remedy under this chapter is in addition to any other remedy available by law.

(B) Claimant agencies may submit for collection under the procedure established by this chapter all delinquent debts which they are owed.

(C) All claimant agencies, whenever possible, shall obtain the full name, social security number, address, and any other identifying information, required by regulations promulgated by the department for implementation of this chapter, from any person for whom the agencies provide any service or transact any business and who the claimant agencies can foresee may become a debtor under the terms of this chapter.

(D) Upon request from a claimant agency, the department shall furnish the claimant agency the home address, corrected Social Security number or additional Social Security number of any taxpayer whose name has been submitted to the department for collection of a delinquent debt.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-40. Choice of claimant agency as to use of or participation in setoff program.

If the claimant agency determines that the administrative cost of utilizing this chapter is prohibitive, it may choose not to participate in the setoff program, or it may choose to participate only in cases of delinquent debts above an amount it determines appropriate.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-50. Department to assist in collection of account or debt by setoff of any refunds due to debtor.

Subject to the limitations contained in this chapter, the department, upon request, shall render assistance in the collection of any delinquent account or debt owing to any claimant agency by setting off any refunds due the debtor from the department by the sum certified by the claimant agency as delinquent debt.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-60. Notification by claimant agency; refund determinations; department liability.

(A) A claimant agency seeking to attempt collection of a delinquent debt through setoff shall notify the department in writing and supply information the department determines necessary to identify the debtor whose refund is sought to be set off. A request for setoff may be made only after the claimant agency has notified the debtor of its intention to cause the debtor's refund to be set off not less than thirty days before the claimant agency's request to the department. The claimant agency promptly shall notify the debtor when the liability out of which the setoff arises is satisfied. The claimant agency promptly shall notify the department of a reduction in the delinquent debt.

(B) Upon receiving the certification of the claimant agency of the amount of the delinquent debt, the department shall determine if the debtor is due a refund. If the debtor is due a refund of more than a tolerance amount as determined by the department, the department shall set off the delinquent debt against the amount of the refund. The department may retain an amount not to exceed twenty-five dollars of each refund set off to defray its administrative expenses, and that amount may be added to the debt. Apportionment is not required in the case of a refund resulting from filing a joint return. A person has no property right or property interest in a refund until all amounts due the State and claimant agencies are paid. The department shall consider a delinquent debt and debtor list provided by a claimant agency as correct and the department is not liable for a wrongful or improper setoff

HISTORY: 1995 Act No. 76, Section 5; 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3. KK.3, eff June 18, 2003.

SECTION 12-56-62. Notice of intention to set off debt; form, delivery and presumption.

The notice of intention to set off must be given by mailing the notice, with postage prepaid, and addressed to the debtor at the address provided to the claimant agency when the debt was incurred or at the debtor's last known address. The giving of the notice by mail is complete upon the expiration of thirty days after deposit of the notice in the mail. A certification by the claimant agency that the notice has been sent is presumptive proof that the requirements as to notice are met, even if the notice actually has not been received by the debtor. The notice must include a statement of appeal procedures available to the debtor, substantially as follows:

"According to our records, you owe the (claimant agency) a debt in the amount of (amount of the debt), plus interest, if applicable, for (type of debt). You are hereby notified of the (claimant agency's) submit this debt to the South Carolina Department of Revenue to be set off against your individual income tax refunds until the debt is paid in full. Pursuant to the Setoff Debt Collection Act, this amount, plus all costs, will be deducted from your South Carolina individual income tax refunds unless you file a written protest within thirty days of the date of this notice. If you file a joint return with your spouse,

this amount will be deducted from the total joint refunds without regard to which spouse incurred the debt or actually withheld the taxes. The protest must contain the following information:

- (1) Your name
- (2) Your address;
- (3) Your social security number;
- (4) The type of debt in dispute; and
- (5) A detailed statement of all the reasons you disagree with or dispute the debt.

The original written protest must be mailed to the (claimant agency) at the following address: (address of the entity requesting the setoff)".

HISTORY: 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.4. eff June 18, 2003. SECTION 12-56-63. Protest procedure; administrative fees.

(A) A debtor who protests the debt shall file a written protest with the claimant agency at the address provided in the claimant agency's notification of intention to set off. The protest must be filed within thirty days of the date of the notice of intention to set off and must contain the debtor's name, address, and tax identification number, identify the type of debt in dispute, and give a detailed statement of all the reasons that support the protest. The requirements of this section are jurisdictional.

(B) To recover costs incurred by the Municipal Association of South Carolina and the South Carolina Association of Counties for submitting a debt pursuant to this chapter and Section 12-4-580 to the department for collection, the association may charge an administrative fee, not to exceed twenty-five dollars, that must be added to the debt. An association is exempt from the notice and appeal procedures of this chapter. The entity that has submitted its claim through the association is responsible for the notice and hearing requirements of this chapter.

HISTORY: 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.5, eff June 18, 2003.

SECTION 12-56-65. Protest and contested case hearings; refunds: erroneous retention or set off; time limit.

(A) Before submitting a debt to the department, the claimant agency shall appoint a hearing officer to hear a protest of a debtor. This hearing officer is vested with the authority to decide a protest in favor of either the debtor or the claimant agency. The claimant agency shall certify to the department, on a form prescribed by the department, that a hearing officer has been appointed and shall inform the department of the name, address, and telephone number of the hearing officer. If this hearing officer is unable to serve at any time, the claimant agency shall appoint another hearing officer.

(B) Upon receipt of a notice of protest, the claimant agency shall notify the department that a protest has been received and shall hold an informal hearing at which the debtor may present evidence, documents, and testimony to dispute the debt. The claimant agency shall notify the debtor of the date, time, and location of the informal hearing. At the conclusion of the informal hearing, the hearing officer shall render his determination. Upon receipt of a sworn certification from the hearing officer that he held an informal hearing and ruled in favor of the claimant agency, the department may proceed to collect the delinquent debt regardless of a subsequent appeal by the debtor.

(C) A debtor may seek relief from the hearing officer's determination by requesting, within thirty days of the determination, a contested case hearing before the Administrative Law Judge Division. A request for a hearing before the Administrative Law Judge Division must be made in accordance with its rules.

(D) If a portion of the delinquent debt is collected by the department and the determination of the hearing officer in favor of the claimant agency is later reversed or the debtor prevails in a claim for refund, the claimant agency shall refund the appropriate amount to the taxpayer, including the appropriate amount of the fee. That portion of the refund reflecting the department's fee must be paid from claimant agency funds. If the claimant agency is found to be entitled to a portion of an amount collected by set off, it is not required to refund the setoff fee retained by the department.

(E) If a refund is retained in error, the claimant agency shall pay to the taxpayer interest calculated as provided in Section 12-54-20 from the date provided by law after which interest is paid on refunds until the appeal is final, except that interest does not accrue when the claimant agency is the Office of Child Support Services of the South Carolina Department of Social Services.

(F) If the claimant agency determines that money has been erroneously or illegally collected, the claimant agency, in its discretion, may issue a refund, even if the debtor does not file a protest or file a claim for refund.

(G) A collection may not be contested more than one year after the date it was made. The date of collection must be conclusively determined by the department. This provision must be construed as a statute of repose and not as a statute of limitation.

(H) A debtor may make a claim for refund of an amount collected pursuant to this chapter within one year from the date the amount is collected, in the same manner as seeking relief from a hearing officer's determination pursuant to Section 12-56-65 or 12-56-67.

HISTORY: 1999 Act No. 114, Section 3; 2003 Act No. 69, Section 3.KK.6, eff June 18, 2003. SECTION 12-56-67. Jury trial rights.

This section does not create a right to jury trial where one does not already exist. Where a debtor otherwise is entitled to have a jury determine the issue of indebtedness, that right is preserved specifically. If a right to a jury trial already exists and the debtor wishes to exercise that right, the debtor is not required to request a contested case hearing before the Administrative Law Judge Division but instead must file a summons and complaint in the Court of Common Pleas and serve the pleadings on the claimant agency within thirty days from the date of the hearing officer's determination. The summons and complaint must name the claimant agency as a defendant and the allegations of the complaint must contest the debt and any potential setoff.

HISTORY: 1999 Act No. 114, Section 3.

SECTION 12-56-70. Priority of claims to refund. Claims to refunds allowed to be set off under this article must be made by a claimant agency filing a written notice with the department of its intention to effect collection through setoff under this article. The following is the order of priority for multiple claims filed:

- (1) claims of the Department of Revenue;
- (2) Claims of the Division of Child Support Enforcement of the State Department of Social Services; (3) other claims of the State Department of Social Services and other state agencies;
- (4) claims of the Internal Revenue Service and claims filed by institutions of higher learning; (5) claims of other agencies not given a specific priority.

Priority within a class in which multiple claims are filed is the order in time in which the claimant agencies filed the written notice with the department of the intention to effect collection through setoff under this article.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-80. Proceeds collected transmitted to agency; accounting provided by department to agency; credit to debtor's obligation by agency; notification of agency to debtor of setoff.

(A) Simultaneously with the transmittal of proceeds collected to a claimant agency, the department shall provide the agency with an accounting, which, whenever possible, must include the full names of the debtors and the debtors' social security numbers. No federal tax return information may be divulged by the department under any circumstances.

(B) Upon receipt by a claimant agency of proceeds collected on its behalf by the department and an accounting thereof as specified under this section, the agency shall credit the debtor's obligation and shall notify the debtor in writing of the amount of the setoff.

HISTORY: 1995 Act No. 76, Section 5.

SECTION 12-56-90. Information from department to be used only by agency for collection purposes; penalties for disclosure.

(A) The exchange of information among the department, claimant agency, and the debtor pursuant to this chapter is lawful.

(B) The information obtained by a claimant agency from the department in accordance with the exemption allowed by subsection (A) may be used by the agency only in the pursuit of its debt collection duties and practices. A person employed by or formerly employed by the agency who discloses the information for another purpose is subject to the penalties provided in Section 12-54-240.

HISTORY: 1995 Act No. 76, Section 5; 1998 Act No. 432, Section 16.

SECTION 12-56-100. Indemnification of department by agency.

Claimant agencies shall indemnify the department against any injuries, actions, liabilities, or proceedings arising from performance under the provisions of this chapter.

HISTORY: 1995 Act No. 76, Section 5; 1999 Act No. 114, Section 3.

SECTION 12-56-120. Department and Internal Revenue Service exempt from notice and appeal procedures; other procedures as exclusive remedy.

The department and Internal Revenue Service are exempt from the notice and appeal procedures of this chapter. The sole and exclusive appeal procedure for the setoff of a debt owed to the department is governed by the provisions of Chapter 60 of Title 12. The appeal procedure in connection with a liability to the Internal Revenue Service is governed by Title 26 of the United States Code.

HISTORY: 1999 Act No. 114, Section 3; 2001 Act No. 89, Section 38, eff July 20, 2001

S.C. CODE OF LAWS

SECTION 12-4-580. Authority allowing department to contract to collect outstanding liabilities.

(A) The department and another governmental entity may contract to allow the department to collect an outstanding liability owed the governmental entity. In administering the provisions of those agreements, the department has all the rights and powers of collection provided pursuant to this title for the collection of taxes and all the rights and powers authorized the governmental entity to which the liability is owed.

(B) The department may charge and retain a reasonable fee for a collection effort made on behalf of a governmental entity. The amount of the fee must be negotiated between the governmental entity and the department. The debtor must be given full credit toward the satisfaction of the debt for the amount of the fee collected by the department pursuant to this section.

(C) Governmental entities that contract with the department pursuant to this section and those entities whose debts are submitted for collection through an association shall indemnify the department against injuries, actions, liabilities, or proceedings arising from the collection or attempted collection by the department of the liability owed to the governmental entity.

(D) As used in this section:

(1) "Governmental entity" means the State and a state agency, board, committee, department, or public institution of higher learning; all political subdivisions of the State; all federal agencies, boards, and commissions; and a federal, state, county, or local governmental or quasi-governmental entity. "Political subdivision" includes the Municipal Association of South Carolina and the South Carolina Association of Counties when these organizations submit claims on behalf of a county or local governmental or quasi-governmental entity.

(2) "Liabilities owed the governmental entity" has the same meaning as a "delinquent debt" as defined in Section 12-56-20(4).

(E) The governmental entity shall notify the debtor of its intention to submit the liability to the department for collection and of the debtor's right to protest not less than thirty days before the liability is submitted to the department for collection. The notice, hearing, appeals, and other provisions contained in Section 12-56-50 through 12-56-120 apply to this section with additional language in the notice letter as specified by the department.

NOTICE AND APPEAL REQUIREMENTS FOR THE GOVERNMENTAL ENTERPRISE ACCOUNTS RECEIVABLE COLLECTIONS PROGRAM

The Setoff Debt Collection Act imposes strict requirements as to the notice and appeal procedures.

1. The Act specifies the language of the notice letter that **MUST** be followed verbatim.
2. The Act now eliminates the certified mailing requirements and allows the notice to be sent by regular mail.
3. The notice may be mailed to the address the debtor provided to you at the time the debt was incurred or to the debtor's last known address.
4. The certification that the notice has been sent is presumptive proof that the requirements as to notice have been met.
5. The Act requires the debtor's Notice of Protest to be in writing and sent to an address that you specify in your notice letter to the debtor.
6. The debtor's Notice of Protest must contain the debtor's name, address, social security number, the type of debt in dispute, and a detailed statement of the reasons the debtor disputes the debt.
7. The requirements of the debtor's Notice of Protest are jurisdictional. This means they must be followed by the debtor. Failure to follow them is grounds to dismiss the debtor's Protest.
8. The Act requires you to appoint a **HEARING OFFICER** to hear debtor protest.
9. The Act requires you to notify the Department of the name, address, and telephone number of the **HEARING OFFICER**.
10. The Act vests the **HEARING OFFICER** with the power to decide debtor protest in favor of either the debtor or the claimant agency.
11. If a Notice of Protest is received by a debtor, the Act requires; (i) you to immediately notify the Department of the protest on a form prescribed by the Department; (ii) you to notify the debtor of the date, time, and location of the informal hearing using the address provided by the debtor in his notice of protest; (iii) the **HEARING OFFICE**

conducts an informal hearing at which the debtor shall be allowed to present evidence, documents, and testimony as to why the debt is not due, and (iv) if the protest is decided in favor of the claimant agency, the Act requires the **HEARING OFFICE** to certify such to the Department before any setoff will be made by the Department.

12. The Act specifically provides for appeals from the Hearing Office's decision, but allows the setoff to be made in the meantime. If the debtor is entitled to a jury trial and wishes to exercise that right, he must file and serve a lawsuit within thirty days of the date the Hearing Office's decision was rendered. Otherwise, the debtor must request a contested case hearing before the Administrative Law Judge Division in accordance with its rules.
13. If the appeal from the Hearing Office's decision is later decided in favor of the debtor, you will be required to refund the appropriate amount to the debtor plus interest. If the claimant agency is found to be entitled to no part of the amount set off, you must refund the entire amount set off on your behalf, including the administrative fee retained by the Department plus interest calculated as provided in Section 12-54-20. However, if you are found to be entitled to any portion of the amount set off, you are not required to refund the administrative fee retained by the Department, and only must refund the appropriate amount plus interest calculated as provided in Section 12-54-20.

The Department has enclosed five forms. Most of the content of the **first three forms is mandated by statute**. While the last two forms are not mandatory, it is strongly suggested that you use either these forms or ones that are substantially similar. The forms are as follows:

1. Notice Letter to Debtor.
2. Notice to the Department of Protest by Debtor.
3. Certification of Hearing.
4. Decision of the Hearing Office.
5. Appeal of Decision of the Hearing Office.

The Department recommends that every decision of the Hearing Office be in writing and be delivered to the debtor, along with instructions on how to appeal the decision of the Hearing Office. Forms four and five above have been provided for this purpose.

It is highly recommended that you consult with your attorney if you have any questions about the GEAR Collections Program and the protest and appeal procedures.

NOTICE TO THE DEPARTMENT OF PROTEST BY DEBTOR

**PLEASE BE ADVISED THE ACT REQUIRES THAT
YOU MUST IMMEDIATELY NOTIFY THE
DEPARTMENT (ON A FORM PRESCRIBED BY THE
DEPARTMENT) IF THE DEBTOR FILES A
WRITTEN PROTEST. THE INFORMATION WHICH
MUST BE SUBMITTED TO THE DEPARTMENT IS
AS FOLLOWS:**

Claimant Agency: _____ Agency ID# _____
Debtor Name: _____
Debtor SSN: _____
Orig. Debt Amount: _____

The above debtor has filed a notice of protest with the undersigned claimant agency.

Signature

Print Name

Date: _____

Mail To: SC Dept of Revenue
Attn: Doris Mosley/Pamela Johnson
Protest: GEAR
PO Box 125
Columbia SC 29214

CERTIFICATION OF HEARING

**PLEASE BE ADVISED THE ACT REQUIRES THAT
ONCE A PROTEST HAS BEEN FILED BY A DEBTOR,
NO SETOFF CAN BE MADE UNLESS AND UNTIL THE
HEARING OFFICER CERTIFIES TO THE
DEPARTMENT (ON A FORM PRESCRIBED BY THE
DEPARTMENT) THAT HE HAS CONDUCTED A
HEARING AND RULED IN FAVOR OF THE CLAIMANT
AGENCY. THE FORM WHICH MUST BE SUBMITTED
TO THE DEPARTMENT IS AS FOLLOWS:**

Claimant Agency: _____ Agency ID#: _____
Debtor Name: _____ Hearing Date _____
Debtor SSN: _____
Orig. Debt Amount: _____

I certify that I have conducted a hearing in the above matter, in accordance with SC Code Section 12-56-65, and have ruled in favor of the claimant agency. I further certify that:

- ___ The amount of the debt originally submitted has not changed.
- ___ The amount of the debt has been REDUCED and the new amount is _____
- ___ The debtor did not appear for the hearing; therefore, the amount of the debt originally submitted is correct.

Signature of Hearing Officer

(Print name of Hearing Officer)

SWORN to before me this _____
Day of _____, _____

Notary public for South Carolina
My commission expires: _____

Mail form to SC Dept of Revenue, Attn: Doris Mosley/Pamela Johnson, Protest: GEAR, PO Box 125, Columbia SC 29214.

Decision of the Hearing Officer

Entity/Claimant Agency: _____ Agency ID#: _____
Debtor Name: _____ Informal Hearing Date: _____
Debtor SSN/FEI: _____
Original Debt Amt: _____
Orig. Submission Date: _____

This matter came before me for informal hearing pursuant to S.C. Code Section 12-56-65. I find that:

- ___ No amount is due from the debtor.
- ___ The amount of the debt originally submitted through the Debt Setoff Collection Act should be REDUCED and the proper amount due is _____.
- ___ The amount of the debt originally submitted through the Debt Setoff Collection Act is correct and is rightfully due from the above debtor.
- ___ The debtor did not appear for the hearing; therefore, the amount of the debt originally submitted is correct.

The specific reasons for my rulings are as follows:

Signature of Hearing Officer

Print name of Hearing Officer

THIS FORM CAN BE GIVEN TO THE DEBTOR AND A COPY KEPT FOR YOUR RECORDS. IT IS NOT NECESSARY TO SEND THIS FORM TO THE DEPARTMENT OF REVENUE.

Appeal of Decision of the Hearing Officer

If you are dissatisfied with the decision of the Hearing Officer, you have a right to appeal.

Administrative Appeal

You may appeal the decision of the Hearing Officer by requesting a contested case hearing before the Administrative Law Judge Division. The request must be made in writing within thirty days of the date the Hearing Officer rendered his decision and must be made in accordance with the rules of the Administrative Law Judge Division. Pursuant to S.C. Code Ann. Section 12-56-65, the appeal will not stop a setoff of your tax refund from occurring. If you are successful on appeal, you will receive a refund of the appropriate amount. However, if any portion of the debt is found to be due, you will not receive a refund of the administrative fee retained by the S.C. Department of Revenue.

Jury Trial

The Setoff Debt Collection Act does not create a right to a jury trial where one does not already exist. However, depending on the type of debt, other laws of South Carolina may entitle you to demand to have a jury determine the issue of indebtedness. In cases where a right to jury trial already exists and you wish to exercise that right, you will not be required to request a contested case hearing before the Administrative Law Judge Division, but instead, must file a summons and complaint in the Court of Common Pleas and serve the same on the claimant agency within thirty days from the date the Hearing Officer's decision was rendered. The summons and complaint must name the claimant agency as a defendant and the allegations of the complaint must contest the debt and any potential setoff. Pursuant to S.C. Code Ann. Section 12-56-65, the appeal will not stop a setoff of your tax refund from occurring. If you are successful on appeal, you will receive a refund of the appropriate amount. However, if any portion of the debt is found to be due, you will not receive a refund of the administrative fee retained by the S.C. Department of Revenue.

GEAR

APPEAL OF DECISION OF HEARING OFFICER

Entity/Claimant Agency: _____

Agency ID# _____

Debtor Name: _____

Debtor SSN/FEI: _____

Orig. Debt Amount: _____

Orig. Submission Date:

Date Hearing Officer's Decision Rendered:

NOTICE LETTER TO DEBTOR

**PLEASE BE ADVISED THE ACT SPECIFIES
THE LANGUAGE OF THE NOTICE WHICH MUST BE
SUBSTANTIALLY FOLLOWED.**

THE LETTER IS AS FOLLOWS:

According to our records, you owe (the claimant agency) a debt in the amount of (amount of debt), plus accruing interest if applicable, for (type of debt). You are hereby notified of (the claimant agency's) intention to submit or resubmit this debt to the South Carolina Department of Revenue for collection through the Setoff Debt Collection Act and/or Governmental Enterprise Accounts Receivable Collections Program (GEAR) until the debt is paid in full.

The Setoff Debt Collection Act allows the Department of Revenue to deduct, from any refund, this amount plus all costs, including a \$25 administrative fee. If you file a joint return with your spouse, this amount will be deducted from the total joint refund without regard to which spouse incurred the debt or actually withheld the taxes.

The GEAR Program, S.C. Code Section 12-4-580, authorizes the Department of Revenue to utilize all rights and powers of collection allowed it under Title 12 in collection of the above debt. These powers include garnishment of wages, seizure of bank accounts, sales of real or personal property, and the revocation of any license.

The Department will utilize the powers granted under Title 12 of the S.C. Code unless you file a written protest, within thirty (30) days from the date of this notice, with the information contained below:

1. your name;
2. your address;
3. your social security number;
4. the type of debt in dispute; and
5. a detailed statement of all reasons you disagree with the debt amount or dispute that you owe the debt.

The original written protest must be mailed to (the claimant agency) at the following address: (address of entity requesting the setoff)

1350



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

FS-96
(Rev. 2/9/09)
2118

NOTICE OF ASSESSMENT

DATE OF NOTICE:
FEI/SSN:
DELINQUENT ACCOUNT FOR:

Receivable Number:

RE:

AMOUNT DUE:

Your delinquent account with the claimant agency referenced above has been referred to the Department of Revenue for collection. South Carolina Code Section 12-4-580 provides the Department authority to collect your account. Failure to pay the full payment amount due within 30 days will result in collection action. Collection action may include seizure of wages, bank accounts and commissions. Any refunds due may be applied to this liability at any time.

You are required to report even if you are in bankruptcy proceedings under Title 11 of the United States Code. Any monies due will be sought in accordance with the provisions of Title 11.

The Department of Revenue does not have specific account information. Therefore, if you disagree with the amount due, please contact the claimant agency listed above.
If you have any questions regarding payment of this notice, contact the Department of Revenue at (803) 898-5403.

Complete the bottom of the notice as applicable. Detach and return with payment. If you have already paid the amount, provide cancelled checks and supporting documents to the address below.

..... detach here

1350

RECEIVABLE NUMBER: ►
FEI/SSN:

TOTAL AMT DUE:

DELINQUENT ACCOUNT FOR:

DATE: _____

AMOUNT ENCLOSED: ► _____

21181029

Source: SC Dept. of Revenue



SOUTH CAROLINA DEPARTMENT OF REVENUE
NOTICE OF ADJUSTMENT For Period
OR PROPOSED ASSESSMENT

I-267
 (Rev. 11/18/05)
 3049

Your South Carolina tax return, Form _____ has been corrected as shown below. See reverse side for instructions. **This demand is not applicable if you are currently in bankruptcy. Any monies due will be sought in accordance with the provisions of Title 11.**

Date 07-10-12

613033

M IIII IIT NOA

Document #
 Taxpayer's SSN/FEI
 Spouse's SSN

OFFICE USE

1. SC Taxable Income Shown On Return/Previous Adjustment	1.	\$	19,728.00
2. Corrections (See reason(s) below)	2.		
3. Corrected Taxable Income	3.		19,728.00
4. Corrected Tax _____ Lump Sum Tax _____ Total	4.		913.00
5. Credits (Nonrefundable)	5.		
6. Payments: _____ Subtotal			
Withholding _____ Payment with Return _____			
Declaration _____ Payment with Extension _____			
Tuition Tax Credit _____			
		Total Payments	6. 1,200.00
7. _____	7.		287.00
8. Transferred Est. Tax _____ Previous Overpayment _____		Total Adjustments	8. _____
Outstanding Debts _____			9. _____
9. Contributions and/or Use Tax _____			
10. Penalty _____ Declaration Penalty _____ Total Pen. ▶	10.		
11. Interest _____ Total Int. ▶	11.		
12. AMOUNT YOU OWE	▶ 12.	\$	

OUTSTANDING DEBT: YOUR RETURN HAS BEEN PROCESSED AND A PORTION OR ALL OF YOUR REFUND HAS BEEN APPLIED TO AN OUTSTANDING DEBT WITH THE AGENCY LISTED BELOW. UNDER THE PROVISIONS OF CHAPTER 56 TITLE 12 OF THE SC CODE OF LAWS, THE SC DEPT OF REVENUE MUST APPLY YOUR REFUND TO THE OUTSTANDING DEBT (S). IF YOU HAVE ANY QUESTIONS OR WISH TO APPEAL THE SEIZURE OF YOUR REFUND, CALL OR WRITE THE APROPRIATE AGENCY(S) LISTED BELOW.
 A \$25 ADMINISTRATIVE FEE HAS BEEN CHARGED BY SC DEPT OF REVENUE.

AGENCY/INSTITUTION NAME	SSN OF	AMOUNT TRANSFERRED TO
TELEPHONE NUMBER	DEBTOR	AGENCY/INSTITUTION
		\$130.32

SC DEPT OF REVENUE
 300 OUTLET POINTE BLVD
 COLUMBIA, SC 29210 RECEIVABLE
 (803) 898-5709 #00000000

CORRECTION OF RETURN: Please compare the items of information on the front of this notice with the same information on your copy of your South Carolina tax return. **Figures on this form which differ from those on your copy of your tax return are corrections.**

REFUND: If you are due a refund, a check will be mailed to you within (thirty) 30 days of this notice.

ADDITIONAL AMOUNT DUE: If you owe an additional amount it must be paid within thirty (30) days of the date of this notice. **Exception:** If you filed a balance due return for the current year, the amount due must be paid by April 15 to avoid penalty and interest.

APPEAL PROCEDURE: If you disagree with this adjustment or proposed assessment, you are entitled to appeal the findings under the following procedures.

- A. If you agree with the adjustment, the additional amount due should be paid within 30 days of the date on this proposed assessment to avoid additional interest and penalties, if applicable.
- B. You may agree with portions of the proposed assessment and disagree with others. The portion of the assessment with which you agree may be paid to avoid additional interest and penalty, and the remainder can be appealed.
- C. **If you disagree with part or all of the proposed assessment, you may make an appeal by sending a written protest within 90 days from the date on this proposed assessment.**

Protest forms (C-245) are available by calling (803) 898-5320 or you may visit any SC Department of Revenue office. You may choose to send a letter rather than using the Form C-245. The letter must contain the following information.

1. Taxpayer's name (individual, corporation, etc.);
2. Taxpayer's identification number (Social Security, Federal Employer Identification, License, etc.);
3. Period for which the tax is proposed;
4. Type of tax in dispute (individual income, sales, etc.);
5. All of the reasons you disagree with the proposed assessment.

If you have any questions, call the telephone number shown on the front of this proposed assessment.

ATTACH A COPY OF THIS NOTICE TO YOUR PAYMENT AND TO ANY CORRESPONDENCE. THE MAILING ADDRESS IS:

**SC DEPARTMENT OF REVENUE
NOA
COLUMBIA, SC 29214-0011**

OUTSTANDING DEBTS (if indicated on front): Under the provisions of 12-56-10 through 12-56-110 and 12-53-20 of the South Carolina Code of Laws, the South Carolina Department of Revenue is authorized to seize refunds otherwise due to taxpayers who have delinquent debts with the South Carolina Department of Revenue, Internal Revenue Service, other government agencies, and public or private institutions of higher learning.

If your refund was seized, the name, address, and telephone number of the agency which requested the seizure are printed on the lower section of the front of this form. **IF YOU HAVE ANY QUESTIONS OR WISH TO APPEAL THE SEIZURE OF YOUR REFUND, WRITE OR CALL THE AGENCY WHICH REQUESTED THE SEIZURE** at the address or telephone number given.

TAXPAYER'S BILL OF RIGHTS

The Taxpayers' Bill of Rights gives you certain rights when dealing with the South Carolina Department of Revenue. These include the right to:

1. File an application for relief with the taxpayer advocate in a situation where you are suffering or are about to suffer a significant hardship as a result of the manner in which the Department of Revenue is administering the tax laws.
2. Advance notification that your hearing may be recorded and a copy of that hearing.
Source: SC Dept. of Revenue
3. The publication of clear, concise and non-technical statements of taxpayer rights mailed with each notice of audit.
4. Have your attorney, accountant or other designated agent present at a hearing.
5. The establishment by the Department of Revenue of an appeals process for modifying or releasing liens.
6. Bring action against the state for damages suffered because of disregard of Department of Revenue policy by an employee.

NOTICE TO THE DEPARTMENT OF CERTIFICATION FOR GEAR COLLECTIONS

(Name of Governmental Entity) hereby certifies that each of the debts attached meets the requirements of the definition of "liabilities owed the governmental entity" in South Carolina Code Section 12-4-580(DX2), that all rights of notice and appeal contained in the Setoff Debt Collection Act, South Carolina Code Sections 12-56-10 et seq., have been given each debtor, and that all applicable rights granted by law, regulation, judicial or other order, or administrative procedures have been allowed the debtor and have been exhausted.

Name of Governmental Entity

By: _____
Name and Title

Date: _____



NOTICE OF LEVY ON WAGES, SALARY

AW-127

(Rev. 7/21/11)
2045

*****NEW REVISED LEVY NOTICE
ADDITIONAL COPY PROVIDED FOR EMPLOYEE**

You are hereby notified that the above employee owes debts or unpaid taxes, penalty, interest, and/or costs as listed above to the SOUTH CAROLINA DEPARTMENT OF REVENUE. Demand has been made upon the employee and a tax lien may be issued on tax debts, which upon recordation constitutes a lien on all property, both real and personal.

Pursuant to S.C. Code Section 12-54-130, the **EMPLOYER** is hereby required to withhold from the employee's gross wages or compensation due or to become due, according to the following procedures:

1. If "Dist Code" is "AGCY" withhold 25% percent of the employee's compensation **after**, deductions for federal, state and FICA withholding.
2. For all other listings, withhold 25% percent of the employee's **GROSS** compensation of each pay period until the total liability has been paid in full. Section 12-54-25 provides that additional interest will continue to accrue for tax debts to date of payment in full. **PLEASE CALL FOR FINAL GARNISHMENT BALANCE** if total noted above is not paid within 30 days of this notice.
3. Payments should be made payable to the S.C. Department of Revenue and submitted for each pay period or monthly until the liability is satisfied. Payments should be submitted with a photocopy of this notice to properly credit the employee's account. If a copy of this notice is not submitted, please provide the following information: **Employee's Name, Social Security Number (in full), or a Receivable Number (shown above) and Amount of Payment enclosed.**
4. If the above named employee is terminated, leaves your employment for any reason or notifies you of the intention to do so before the full liability has been satisfied, **YOU ARE REQUIRED TO WITHHOLD ALL COMPENSATION** or so much thereof as may be necessary

Continued on Reverse Side

REMIT THE AMOUNTS ABOVE TO:

FOR ASSISTANCE CONTACT:

20451019

Source: SC Dept. of Revenue

to equal the balance then due by the employee. You are further required to advise the S.C. Department of Revenue in writing and remit the amount so withheld.

5. If the employee is **NO LONGER EMPLOYED** with you, please note on this form and return to the address on front of notice.

Explanation of Distribution Codes (DIST CODE):

IIT - Individual Income Tax

SAL - Sales Tax

EWH - Employer Withholding Tax

***For all other codes please call toll-free number at the bottom of front page

12-54-25(A) Whenever the Department issues a tax lien under its hand, interest as prescribed in Section 12-54-25(D) must be calculated on the amount of tax due from the time the tax or additional tax was due until paid in its entirety.

12-54-25(D) Any person who fails to remit the tax due or additional tax as provided by law must be charged interest at the rate provided under Internal Revenue Code Sections 6621 and 6622. * Interest must be calculated on the full amount of tax or portion thereof, exclusive of penalties from the time the tax or additional tax was due until paid in its entirety. The provisions of this section apply to all taxes levied or assessed by the Department.

12-54-43(D) In case of failure to pay the amount shown as tax on any return on or before the date prescribed by law, determined with regard to any extension of time for paying, there must be added to the tax due a penalty of one-half of one percent of the amount of the tax if the failure is for not more than one month, with an additional one-half of one percent for each additional month or fraction of the month, during which the failure continues, not exceeding twenty-five percent in the aggregate.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 U.S. Code. Any monies due will be sought in accordance with the provisions of Title 11.

For Assistance Contact:

Charleston Taxpayer Service Center	(843) 852-3600
Columbia Main Office	(803) 898-5000
Florence Taxpayer Service Center	(843) 661-4850
Greenville Taxpayer Service Center	(864) 241-1200
Rock Hill Taxpayer Service Center	(803) 324-7641
Myrtle Beach Office	(843) 839-2960
Market Pointe Taxpayer Service Center	(803) 898-5200

NOTICE OF BANKRUPTCY FILING

Creditor: _____

The following debtor has filed Bankruptcy and therefore his liabilities should be removed from collection activity.

Name: _____

Taxpayer ID No. (SSN or FEI): _____

Case Number: _____

District where case filed: _____
(i.e. Western District of North Carolina)

**Mail to: SC Dept of Revenue, Attn: Doris Mosley/Pamela Johnson, GEAR,
Columbia SC 29214-0215.**



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

GEAR

FS-113

(Rev. 4/11/01)
2107

Mail To: SC Department of Revenue, GEAR, Columbia SC 29214-0215

DATE: _____

AGENCY/ENTITY NAME: _____

AGENCY ID NUMBER: _____ ENTITY ID NUMBER: _____

DEBTOR NAME: _____ SSN: _____

DEBTOR ADDRESS: _____

CITY, STATE AND ZIP: _____

AMOUNT OF PAYMENT: \$ _____

SOUTH CAROLINA DEPARTMENT OF REVENUE USE ONLY

RECEIVABLE NUMBER: ► _____

AMOUNT OF PAYMENT: ► \$ _____

Appendix E

Worthless Check Units in South Carolina

There is a worthless check unit contained within each of the 16 solicitor's offices of the state. Contact the office within the correct judicial circuit to obtain the correct forms.

First Circuit (Calhoun, Dorchester, Orangeburg)

David M. Pascoe, Jr., Solicitor
Contact: Stacey Cook
140 North Main Street, Suite 102
Summerville, SC 29483
Office: 843-871-2640
<http://www.scsolicitor1.org/cmp/Programs/WorthlessCheck.aspx>

Second Circuit (Aiken, Bamberg, Barnwell)

J. Strom Thurmond, Solicitor
Contact: Stacey Coleman, Director
PO Box 3368
Aiken, SC 29802
Office: 803-648-8637x1
<http://www.solicitorscheckunit.net/>

Third Circuit (Clarendon, Lee, Sumter, Williamsburg)

Ernest A. Finney III, Solicitor
Contact: Debbie Mathis or
Bobbie Reaves
Sumter County Courthouse
PO Box 2379
Sumter, SC 29151
Office: 803-774-1654
<http://www.sumtercountysc.org/?q=department/solicitors-office>

Fourth Circuit (Chesterfield, Darlington, Marlboro, Dillon)

William B. Rogers, Jr., Solicitor
121 Market Street
Cheraw, SC 29520
Office: 843-623-3265
http://nauti5.ipower.com/index_files/Page512.htm

Fifth Circuit (Kershaw, Richland)

Daniel E. Johnson
Contact: Sherry Reed
Mike Glymph
PO Box 1238
Columbia, SC 29202
Office: 803-576-1860
<http://www.scsolicitor5.org/WorthlessCheckProgram.aspx>

Sixth Circuit (Chester, Lancaster, Fairfield)

Douglas A. Barfield, Jr., Solicitor
No WCU in place. However, this will hopefully be instituted in 2015.
PO Box 728
Chester, SC 29706
Office 803-377-1141, 803-416-9367
<http://www.chestercounty.org/government/solicitor.aspx>

Seventh Circuit (Cherokee, Spartanburg)

Barry J. Barnette, Solicitor
Contact: Lib Jackson
Spartanburg County Courthouse
180 Magnolia Street
Spartanburg, SC 29306
Office: 864-596-2233 or 864-562-4248
<http://www.spartanburgcounty.org/govt/depts/solicitor/wcp.htm>

Eighth Circuit (Abbeville, Greenwood, Laurens, Newberry)

David M. Stumbo, Solicitor
Contact: Beth Karle

PO Box 516
Greenwood, SC 29648
Office: 864-942-8812
<http://www.scsolicitor8.org/#!/worthless-check/c1s53>

Ninth Circuit (Charleston, Berkeley)

Scarlett A. Wilson, Solicitor
Contact: Letha Summersett
OT Wallace Building
101 Meeting Street, Suite 400
Charleston, SC 29401
Office: 843-958-2040
<http://www.scsolicitor9.org/pti.htm#wcu>

Tenth Circuit (Anderson, Oconee)

Christina T. Adams, Solicitor
Contact: wcu@solith.com
Anderson County: Susann Hunter
864-260-4339
Oconee County: Marla Thomas 864-638-4294
100 South Main Street
Anderson, SC 29624
<http://www.soli10th.com/worthless-check-unit>

Eleventh Circuit (Lexington, Saluda, Edgefield, McCormick)

Donald V. Myers, Solicitor
Contact: Debbie Hester
Lexington Judicial Center
205 E. Main Street Lexington, SC 29072
Office: 803-785-8142
<http://www.lex-co.sc.gov/departments/DeptRZ/worthlesscheck/Pages/index.aspx>

Twelfth Circuit (Florence, Marion)

E.L. (Ed) Clements III, Solicitor
Contact: Penny Burns
117 North Irby Street
Florence, SC 29501

Office: 843-292-1586
<http://florenceco.org/elected-offices/solicitor/>

Thirteenth Circuit (Greenville, Pickens)

William W. Wilkins III, Solicitor
Contact: Sylvia Harrison or Erin Pasquale
Greenville County Courthouse
305 East North Street, Suite 325
Greenville, SC 29601
Office: 864-467-8693
http://www.greenvillecounty.org/solicitor/worthless_check_program.asp

Fourteenth Circuit (Allendale, Hampton, Colleton, Jasper, Beaufort)

Isaac McDuffie Stone III, Solicitor
Post Office Box 1880
Bluffton, SC 29910
843-255-5880
<http://www.scsolicitor14.org>

Fifteenth Circuit (Georgetown, Horry)

Jimmy A. Richardson II, Solicitor
Po Box 1276
Conway, SC 29526
Office: 843-915-5460
<http://www.horrycounty.org/Departments/Solicitor/WorthlessCheckUnit.aspx>

Sixteenth Circuit (Union, York)

Kevin S. Brackett, Solicitor
Contact: Maria Cabrera
MossJustice Center
1675-1A York Hwy
York, SC 29745
Office: 803-909-7585
<http://www.scsolicitor16.org/checkUnit>



South Carolina JUDICIAL DEPARTMENT

The Judicial Circuits of South Carolina



© 2000-2014 South Carolina Judicial Department

Source: <http://www.judicial.state.sc.us/circuitCourt/circuitMap.cfm>

Sample Worthless Check Unit Instructions from the 11th Circuit

Check with appropriate Circuit for correct forms

On the next page, you will find the 11th Circuit Solicitor's Worthless Check Unit Victim/Vendor Worksheet which is required for the Solicitor's Office to help you collect on your bad check. Each check will need its own worksheet.

Offender Info

Complete using the information about the check writer.

Helpful Hints when accepting a check:

- Remember to get the driver license number and the state who issued the license.
- If the check has a PO Box instead of a street address, get a street address.
- Remember to write down the check writer's home and work phone numbers.
- On business checks, always write on the check who signed the check.
- Any additional information that you can obtain such as race, sex, date of birth, register transaction number, and the initials of who accepted the check and witnessed the signature is very helpful if we have to obtain an arrest warrant and prosecute the check writer.
- Remember always verify that the date on the check, amount of the check and that the signature on the check matches the driver's license signature.

Check Info

- **Check was received in what county?** Please list the county where you received the check. If you do not know the county, you can put the address of where the check was received.
- **Date the check was accepted. Record the date you received check.**
Helpful Hint: if you receive checks by mail, you should record on the check the date the check was received. This information could be critical during the prosecution of a check.
- **Date check was deposited.** Always put the first deposit date if the check is processed more than once.
- **Deposited within 10 days.** Answer yes or no. A check must be deposited within 10 days of receipt to qualify for criminal prosecution.
- **The check believed to be good at the time of receipt.** Answer yes or no
- **The check postdated (written for a future date).** Answer yes or no
- **Any agreement to hold the check.** Answer yes or no

Please verify all the information you have completed, complete the information at the bottom of the form and agree to the information about taking payments and withdrawing a check from the check program.

If you have any questions, please feel free to call our office at (803) 785-8142 or email us at checkunit@lex-co.com.

11TH CIRCUIT WORTHLESS CHECK UNIT

Mailing Address
P.O. Box 2077
Lexington, SC 29071



205 East Main St., Ste 215
Lexington, SC 29072
(803) 785-8142
Fax: (803) 785-5042

Offender Info:

Name: Sex: Race:
Address: City/State/Zip:
Phone: ID or DL #:
DOB: SSN:

Check Info:

Check was received in what county?
Date the check was accepted (Can be different than check date):
Date check deposited (1st deposit date only):
Deposited within 10 days? YES NO
The check believed to be good at the time of receipt? YES NO
The check postdated (written for a future date)? YES NO
Any agreement to hold the check? YES NO

Staple Check Here

PLEASE READ

I could be held liable for the fees outlined in S.C. Code of Laws Section 17-22-710 if I:

- Withdraw the check from the program
Stop the prosecution process
Accept full or partial payment on this check which could result in the collection or prosecution process being stopped

By signing this form, I swear that the above is true.

Signature: Date:
Print Name:
Company:
Address: City/State/Zip:
Phone #: Alt. Phone #:
Fax #: Email:

All payments for this item MUST be made through the Solicitor's Worthless Check Unit.

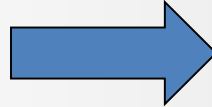
Controller's Office LEAN Project

***Finance Business Managers
Meeting***

February 25, 2014

What do the Colleges want?

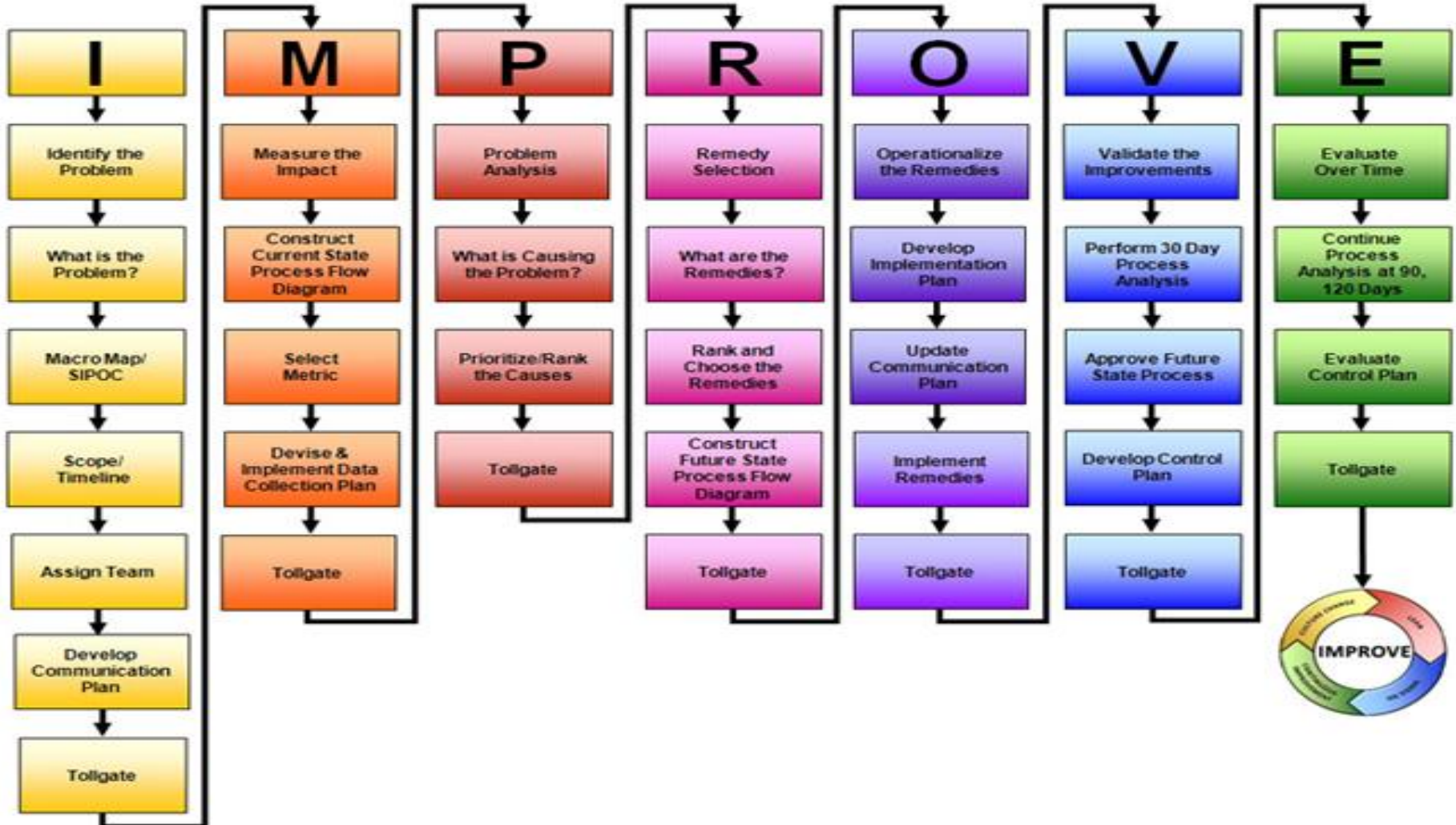
- Timely and accurate data
- Uniformity
- Detailed information regarding student accounts
- Effective lines of communication



What that leads to:

- Ability to set tuition and fee rates
- Ability to forecast with more precision
- Increased awareness of student financial aid and special situations
- Overall better decision-making
- Improved student satisfaction

IMPROVE – What was done?



Project Team

Executive Champion: *Patrick Wamsley*

Project Champion: *Susie Edwards*

Process Owner: *Melissa Smith*

Team Members:

Mark Craig

Jeremy Dunlap

Kenny Grace

Terry Harmon

Jody Latham

Facilitator: *Mike Roudabush*

Project Timeline

ID	Days	Start	End	2-Oct-2013	9-Oct-2013	16-Oct-2013	23-Oct-2013	30-Oct-2013	6-Nov-2013	13-Nov-2013	20-Nov-2013	27-Nov-2013	4-Dec-2013	11-Dec-2013	18-Dec-2013	25-Dec-2013	1-Jan-2014	8-Jan-2014	15-Jan-2014	22-Jan-2014	29-Jan-2014	5-Feb-2014	12-Feb-2014	19-Feb-2014	26-Feb-2014	5-Mar-2014	12-Mar-2014	
IMPROVE Project Plan Timeline																												
1.1	Identify	7	2-Oct	9-Oct	█	█	█																					
1.2	Measure	21	23-Oct	13-Nov			█	█	█	█																		
1.3	Problem Analysis	14	13-Nov	27-Nov						█	█	█																
1.4	Remedy	21	27-Nov	18-Dec									█	█	█													
IMPLEMENTATION																												
1.5	Operationalize	14	1-Jan	15-Jan																	█	█	█					
1.6	Validate	14	8-Jan	22-Jan																		█	█	█				
1.7	Evaluate	14	ONGOING																								█	█



LEAN Project: Automate the Tuition True-Up Process

Problem:

The tuition “true-up” process is labor intensive and time consuming which is subject to error and inhibits the ability to accurately forecast tuition and fees collected.

Goal:

Streamline the academic charge true-up process to enable accurate and timely use of information in tuition and fee forecasting.

Root Causes of Problem

- *Students unaware of due dates*
- *Lack of forecasting tool*
- *Lack of communication and cooperation between the Office of Student Accounts and Colleges*
- *High outstanding Accounts Receivable*
- *Lack of Institutional Aid deadline for Colleges*
- *Lack of standardized format for Institutional Aid and approval process*

- *Created communication plan for Colleges with deadlines for Institutional Aid*
- *Created a forecasting tool*
- *Decreased outstanding Accounts Receivable*
- *Increased notifications to students about deadlines and account status*
- *Created Institutional Aid standard format*
- *Improved communications with Colleges*

Results: Decrease of \$526k Outstanding A/R for Colleges

College	SPRING 2014 As of 1/31/2014		SPRING 2013 As of 1/31/2013		Difference	
	AR - Balance	AR - Count	AR - Balance	AR - Count	AR - Balance	AR - Count
Dental	\$ 36,741	4	\$ 93,510	8	\$ (56,768)	(4)
Grad Studies	93,255	18	422,906	58	(329,651)	(40)
Health Professions	58,028	18	81,186	19	(23,157)	(1)
Medicine	48,057	6	117,606	9	(69,549)	(3)
Nursing	93,784	32	107,868	26	(14,084)	6*
Pharmacy	1,026	1	33,454	9	(32,428)	(8)
Subtotal	\$ 330,892	79	\$ 856,529	129	\$ (525,637)	(50)
Null **	2,663	4	39,199	7	(36,537)	(3)
External Billing	1,954,816		1,596,693		358,123	
Total	\$ 2,288,370	83	\$ 2,492,422	136	\$ (204,051)	(53)

* Increase due to a significant increase in enrollment.

** Null includes students that no longer have a program of study within a College.

College Tuition Forecast Tool

Tuition Master True-up File

- Tuition Billed
- Tuition Waived
- Accounts Receivable Outstanding
- Prior Term Collections



DRAFT-COLLEGE of DENTAL MEDICINE FY15 TUITION & FEE FORECAST-DRAFT					
SECTION F: FORECAST					
FY15 Calculated Budget Forecast	\$19,046,052				
FY15 Tuition/Fee Forecast Distribution To College	<u>Fall</u>	<u>Spring</u>	<u>Summer</u>	<u>Total</u>	
Billing By Term Forecast	\$ 8,389,697	\$ 7,568,207	\$ 3,152,855	\$19,110,759	
Waivers Forecast	\$ 65,122	\$ 164,558	\$ 13,610	\$ 243,290	
Tuition/Fees Outstanding Forecast	\$ 32,805	\$ 259,776	\$ 429,504	\$ 722,085	
Prior Term Collections Forecast	\$ 404,749	\$ 71,122	\$ 247,994	\$ 723,864	
FY15 Tuition/Fee Forecast Distribution To College	\$ 8,696,519	\$ 7,214,994	\$ 2,957,735	\$18,869,248	
SECTION A: Enter % In-State vs. Out-of-State					
	FY14	FY15 Projected			
In State	77.7%	77.7%			
Out-of-State	22.3%	22.3%			
Total	100.0%	100.0%			
FY14 Approved Tuition Budget	\$ 17,515,466				
SECTION B: Enter FY15 Student Projected Headcount By Program					
	FY14	FY15 Projected			
DMD	263	263			
Dental Medicine PhD	7	7			
MS In Dentistry	22	22			
Master's of Oral Science	0	0			
Total	292	292			
SECTION D: Enter Proposed FY15 Fee Schedules					
	<u>In State</u>		<u>Out-of-State</u>		
	<u>FY14</u>	<u>FY15 Proposed</u>	<u>FY14</u>	<u>FY15 Proposed</u>	
DMD					
Semester	\$ 15,821	\$ 15,821	\$ 27,661	\$ 27,661	
Summer	\$ 12,107	\$ 12,107	\$ 21,515	\$ 21,515	
Dental Scientist Training Prgm (DSTP)					
Semester	\$ 15,821	\$ 15,821	\$ 27,661	\$ 27,661	
Summer	\$ 12,107	\$ 12,107	\$ 21,515	\$ 21,515	
Master of Science in Dentistry					
Semester	\$ 1,448	\$ 1,448	\$ 1,448	\$ 1,448	
Summer	\$ 1,331	\$ 1,331	\$ 1,331	\$ 1,331	
Master of Oral Science					
Semester	\$ 9,500	\$ 9,500	\$ 11,875	\$ 11,875	
Summer	\$ 5,000	\$ 5,000	\$ 6,250	\$ 6,250	
SECTION C: Enter FY15 Proposed Program Fees					
	<u>Program Fees</u>	<u>FY14</u>	<u>FY15 Proposed</u>		
Disability Insurance (annual 1st & 2nd YR Students)	\$ 95	\$ 95			
Disability Insurance (annual 3rd & 4th YR Students)	\$ 135	\$ 135			
Instruments (annual)	\$ 4,650	\$ 4,650			
Clinical & Lab Support Fee (annual)	\$ 7,900	\$ 7,900			
Gross Anatomy Course Fee (1st YR students only)	\$ 1,000	\$ 1,000			
Histology Fee (1st YR students only)	\$ 250	\$ 250			
Dental Informatics Fee (annual)	\$ 6,400	\$ 6,400			
Master of Science In Dentistry (annual)	\$ 8,750	\$ 8,750			
Master of Oral Science (annual)	\$ 8,750	\$ 9,000			
Application Fee (per applicant)	\$ 95	\$ 95			
Matriculation fee (applicant accepted)	\$ 485	\$ 485			

Appendix G

2014 Agency Debt Collection Report

Proviso 117.38 of the FY 2014-15 Appropriations Act directs that each state agency shall provide to the Chairman of Senate Finance, House Ways and Means Committees and the Inspector General a report detailing outstanding debt and all methods it has used to collect that debt due by February 1, 2015.

For calendar year 2013, the combined reported agency debt in excess of 60 days was \$1,021,950,073.

In order to ensure accurate reporting for agency comparison, submit only the total amount of outstanding receivables still on agency books, which are 60 days or older as of December 31, 2014.

DO NOT INCLUDE DEBT PREVIOUSLY WRITTEN-OFF.

Total agency receivables (to include those that are past due) as of 12/31/14	\$
Total agency receivables 60 days, or older, as of 12/31/2014	\$
Total amount of debt written off by agency during calendar year 2014. (DO NOT INCLUDE IN ABOVE TOTAL)	\$

Does the agency participate in the Worthless Check Program through the Circuit Solicitor's Office? (Choose One)	Yes	No
Does the agency use the DOR set-off program? (Choose One)	Yes	No
Does the agency use the DOR GEAR program? (Choose One)	Yes	No
Does the agency use outside collection agencies? (Choose One)	Yes	No

Please answer the following questions to develop 'lessons learned' and statewide trends to be shared, **without attribution**, with all agencies.

Biggest issues the agency faces with collection of aged receivables:

Agency practices for collections that have proven effective:

Feedback on DOR's Collection programs or Solicitor's Worthless Check Units, if applicable:

Summary of collection practices (Required by proviso):

In order to assist other agencies with collection efforts, provide a summary of collection practices and aged date each step in implemented. If known, an approximate percentage of recovery at each phase.

(Optional) Narrative to explain uniqueness of agency receivables categories or collection efforts:

Appendix H

Contacts for Specific Expertise

Department of Revenue-GEAR and Tax Set-off Programs

Perry Mathis 803-898-5741
Collection Manager
Collection Services Field Operations
Email: mathisp@sctax.org

SC.GOV –SC Government Web Portal

SC Interactive, LLC
Lowell Abney 803-771-0131 x105
Director of Payment Processing and Local Business Development
Email: lowellA@portal.sc.gov

Executive Budget Office

Brenda Hart 803-734-2149
State Budget Director
Email: bhart@budget.sc.gov

Worthless Check Units which offered to set up model programs for state agencies

Eleventh Circuit (Lexington, Saluda, Edgefield, McCormick)

Donald V. Myers, Solicitor
Contact: Debbie Hester 803-785-8142
<http://www.lex-co.sc.gov/departments/DeptRZ/worthlesscheck/Pages/index.aspx>

Seventh Circuit (Cherokee, Spartanburg)

Barry J. Barnette, Solicitor
Contact: Lib Jackson 864-596-2233 or
<http://www.spartanburgcounty.org/govt/depts/sol/wcp.htm> 864-562-4248

Colleges and University Resources

David G. Katz 843-953-5572
Treasurer
College of Charleston
Email: KatzD@cofc.edu

Patrick J. Wamsley, CPA 843-792-8909
Chief Financial Officer
Medical University of South Carolina
Email: Wamsleyp@musc.edu