

REPORT OF THE LICENSES, FEES, INSURANCE TAX & OTHER CHARGES SUBCOMMITTEE

(Neal, Limehouse, Bingham, & Edge - Staff Contact: Ryan Burnaugh)

SENATE BILL 985

S. 985 -- Senator Cleary: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 6 TO CHAPTER 1, TITLE 6, TO ENACT THE "FAIRNESS IN LODGING ACT" SO AS TO ALLOW MUNICIPALITIES AND COUNTIES BY ORDINANCE TO IMPLEMENT ADDITIONAL ENFORCEMENT PROVISIONS FOR THE BUSINESS LICENSE TAX AND THE LOCAL ACCOMMODATIONS TAX AS THOSE PROVISIONS APPLY TO THE OWNERS OF RESIDENTIAL REAL PROPERTY WHO RENT THE PROPERTY TO TOURISTS, INCLUDING DATA SHARING WITH THE SOUTH CAROLINA DEPARTMENT OF REVENUE, SPECIFIC NOTICE TO PROPERTY OWNERS INCLUDED IN PROPERTY TAX BILLS, AN ADDITIONAL PENALTY THAT MAY BE IMPOSED FOR NONCOMPLIANCE AFTER THE RECEIPT OF SUCH A NOTICE, AND DIRECTIONS TO THE SOUTH CAROLINA DEPARTMENT OF REVENUE TO IDENTIFY "RENTAL BY OWNER" WEBSITES ADVERTISING TOURISTS RENTALS AND REQUEST THEM TO POST ON THE WEBSITES A STATEMENT REGARDING THE LEGAL OBLIGATIONS OF THE OWNERS OF PROPERTY IN THIS STATE LISTED ON THE WEBSITE, TO PAY ALL APPLICABLE LOCAL AND STATE TAXES AND FEES WITH RESPECT TO SUCH RENTALS; AND TO AMEND SECTIONS 6-1-120, 12-54-240, AS AMENDED, AND 12-4-310, RELATING RESPECTIVELY TO THE CONFIDENTIALITY OF LOCAL AND STATE TAX DATA AND EXCEPTIONS THERETO, AND THE DUTIES OF THE SOUTH CAROLINA DEPARTMENT OF REVENUE, SO AS TO CONFORM THEM TO THE PROVISIONS OF THIS ACT.

Summary of Bill:

Permits the governing body of a municipality or county by ordinance to implement the provisions of the Fairness in Lodging Act if it imposes a business license tax on renting residential accommodations and the local accommodations tax. Allows for a fee of no less than \$500 and no more than \$2,000 that may be imposed for each seven days the property is rented.

Introduced: 02/04/2014

Received by Ways and Means: 03/19/2014

Estimated Fiscal Impact:

No Fiscal Impact is anticipated for FY 2015. Subsequent FYs would generate a Fiscal Impact depending on the number of ordinances adopted by counties and municipalities, the number of taxpayers that conform, and the degree of compliance with and enforcement of the ordinance.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

THE BELOW CONSTITUTED SUMMARY IS PREPARED BY THE STAFF OF THE SC HOUSE OF REPRESENTATIVES AND IS NOT THE EXPRESSION OF THE LEGISLATION'S SPONSOR(S) OR THE HOUSE OF REPRESENTATIVES. IT IS STRICTLY FOR THE INTERNAL USE AND BENEFITS OF MEMBERS OF THE HOUSE OF REPRESENTATIVES AND IS NOT TO BE CONSTRUCTED BY A COURT OF LAW AS AN EXPRESSION OF LEGISLATIVE INTENT.

Statement of Estimated State Revenue Impact

Date: February 26, 2014

Bill Number: S.B. 985

Author: Cleary

Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Article 6 to Chapter 1, Title 6, to enact the "Fairness in Lodging Act" so as to allow municipalities and counties by ordinance to implement additional enforcement provisions for the business license tax and the local accommodations tax as those provisions apply to the owners of residential real property who rent the property to tourists, including data sharing with the South Carolina Department of Revenue, specific notice to property owners included in property tax bills, an additional penalty that may be imposed for noncompliance after the receipt of such a notice, and directions to the South Carolina Department of Revenue to identify "rental by owner" websites advertising tourists rentals and request them to post on the websites a statement regarding the legal obligations of the owners of property in this State listed on the website, to pay all applicable local and state taxes and fees with respect to such rentals; and to amend Sections 6-1-120, 12-54-240, as amended, and 12-4-310, relating respectively to the confidentiality of local and state tax data and exceptions thereto, and the duties of the South Carolina Department of Revenue, so as to conform them to the provisions of this act.

REVENUE IMPACT ^{1/}

Because the decision to implement and enforce local taxing policies is left to the implementing jurisdiction, we don't expect that this bill will result in the collection of any state or local revenue in FY2014-15. In future fiscal years, the amount of revenue collected would be dependent upon the number of ordinances adopted by municipalities and counties, the number of taxpayers that conform to the legislation, and the degree of compliance with and enforcement of the ordinance.

Explanation

This bill would add Article 6 to Title 6 and may be cited as the Fairness in Lodging Act. This bill would allow municipalities and counties the option to exercise additional enforcement authority of individuals who rent residential accommodations to tourists, but fail to obtain the county or municipal business licenses and fail to collect and remit local and state accommodations taxes.

Currently, taxpayers that rent their private residences for less than fifteen days during a taxable year are not required to remit a seven percent state accommodations tax on the gross proceeds to the state. This bill would not apply to any residential real property when the gross proceeds from the rental are wholly excluded from the gross income of the taxpayer pursuant to Internal Revenue Code Section 280A(g). Specifically, IRC Section 280A(g)(2) is a special rule for certain rental use of real property, and states that if a dwelling unit is used during the taxable year by the taxpayer as a residence and such dwelling unit is actually rented for less than 15 days during the taxable year, then the income derived from such use for the taxable year shall not be included in the gross income of such taxpayer. Because South Carolina conforms to the federal tax code pursuant to Section 12-6-40, this special rule

Statement of Estimated State Revenue Impact

would apply under state tax law. This bill, therefore, would apply a state accommodations tax of seven percent to be levied on the gross rental income of those taxpayers that account for this rental income on their federal taxes. The following is a section-by-section analysis of the bill.

Section 1. The section would permit the governing body of a municipality or county by ordinance to implement the provisions of the Fairness in Lodging Act if it imposes a business license tax on the income of renting residential accommodations to tourists and the local accommodations tax. This act would become effective when a copy of the implementing ordinance is provided to the Director of the Department of Revenue. The Department of Revenue and the implementing jurisdiction would then share detailed information and data required to be submitted by persons renting residential real property to tourists in the implementing jurisdiction to enforce these requirements. If any violations are found, the implementing jurisdiction may impose a one-time civil penalty for noncompliance and failure to obtain a required business license for each seven days the property was rented. This penalty is in addition to all other penalties and interest by the ordinance. In addition, the Department of Revenue shall identify websites containing "rent by owner" vacation rental opportunities and request them to post a statement on the website that the owner of South Carolina rental properties is required to be licensed and to collect applicable local and state fees and taxes.

Because the decision to implement and enforce local taxing policies is left to the implementing jurisdiction, we are not able to accurately forecast the number of local taxing jurisdictions that may or may not implement the additional enforcement authority devolved upon them. As an example, however, based on the latest data from the U.S. Department of Commerce, Bureau of the Census, an estimated four percent of all housing units are available for seasonal, recreational, or occasional use in South Carolina. If an estimated 86,268 units are rented at an average rental price of \$1,000 per week for one week per year, and applying a state accommodations tax rate of seven percent yields an increase in state accommodations tax revenue of an estimated \$6,038,760 annually. Also, in a recent survey of vacation rental owners by a leading online solicitor of vacation rentals, HomeAway, found that sixty percent of all vacation home owners rent out their homes during the year. Multiplying \$6,038,760 by sixty percent of rentable vacation homes yields an adjusted increase in state accommodations tax revenue of an estimated \$3,623,256 annually.

There are several obstacles that must be resolved. The municipality or county must pass an ordinance enforcing home owners that rent their properties to obtain a business license tax and set up an account with the Department of Revenue to receive accommodations tax revenue. The implementing jurisdiction would need to inform the Department of Revenue that an ordinance was adopted and that a system of sharing data must be established. Every home owner in an implementing jurisdiction would need to be notified as to a change in taxing policy and potential civil penalties for noncompliance. If the compliance and enforcement costs of the provision are perceived as too high, the number of taxpayers that may undertake the decision to rent out their homes may be reduced, thereby reducing the amount of total revenue collected. The implementation of this process will take time; therefore, we don't expect that this bill will result in the collection of any revenue in FY2014-15. In future years, the amount of revenue collected would be dependent upon the number of ordinances adopted by municipalities and counties, the number of taxpayers that conform to

Statement of Estimated State Revenue Impact

the legislation, and the degree of compliance with and enforcement of the ordinance.

Section 2. This section would amend Section 6-1-120(B)(3) to add the phrase "including the specific sharing of data as provided in Article 5 of this Chapter, the Fairness in Lodging Act." This section is not expected to affect General Fund revenue in FY2014-15.

Section 3. This section would amend Section 12-54-240 to add subsection (13) to include disclosure and data sharing as provided in the Fairness in Lodging Act. This section is not expected to affect General Fund revenue in FY2014-15.

Section 4. This section adds an additional duty to the Department of Revenue to provide data and assistance to municipalities and counties in which the Fairness in Lodging Act is implemented. This section is not expected to affect General Fund revenue in FY2014-15.

Section 5. This act takes effect upon approval by the Governor.



Frank A. Rainwater
Chief Economist

Analyst: Martin

¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

South Carolina General Assembly
120th Session, 2013-2014

S. 985

STATUS INFORMATION

General Bill

Sponsors: Senator Cleary

Document Path: I:\council\bill\bbm\9004htc14.docx

Companion/Similar bill(s): 4758

Introduced in the Senate on February 4, 2014

Introduced in the House on March 19, 2014

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

Summary: Fairness in Lodging Act

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/4/2014	Senate	Introduced and read first time (<u>Senate Journal-page 8</u>)
2/4/2014	Senate	Referred to Committee on Finance (<u>Senate Journal-page 8</u>)
2/10/2014		Scrivener's error corrected
3/5/2014	Senate	Committee report: Favorable Finance (<u>Senate Journal-page 20</u>)
3/13/2014	Senate	Read second time (<u>Senate Journal-page 15</u>)
3/13/2014	Senate	Roll call Ayes-41 Nays-0 (<u>Senate Journal-page 15</u>)
3/18/2014	Senate	Read third time and sent to House (<u>Senate Journal-page 10</u>)
3/19/2014	House	Referred to Committee on Ways and Means (<u>House Journal-page 7</u>)

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VERSIONS OF THIS BILL

[2/4/2014](#)

[2/10/2014](#)

[3/5/2014](#)

1 ~~Indicates Matter Stricken~~
2 Indicates New Matter
3
4 COMMITTEE REPORT
5 March 5, 2014
6

7 **S. 985**

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9 Introduced by Senator Cleary

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11 S. Printed 3/5/14--S.

12 Read the first time February 4, 2014.
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15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 985) to amend the Code of
17 Laws of South Carolina, 1976, by adding Article 6 to Chapter 1,
18 Title 6, to enact the "Fairness in Lodging Act", etc., respectfully

19 **REPORT:**

20 That they have duly and carefully considered the same and
21 recommend that the same do pass:
22

23 HUGH K. LEATHERMAN, SR. for Committee.
24
25

26 **STATEMENT OF ESTIMATED FISCAL IMPACT**

27 **REVENUE IMPACT ^{1/}**

28 Because the decision to implement and enforce local taxing
29 policies is left to the implementing jurisdiction, we don't expect
30 that this bill will result in the collection of any state or local
31 revenue in FY2014-15. In future fiscal years, the amount of
32 revenue collected would be dependent upon the number of
33 ordinances adopted by municipalities and counties, the number of
34 taxpayers that conform to the legislation, and the degree of
35 compliance with and enforcement of the ordinance.

36 **Explanation**

37 This bill would add Article 6 to Title 6 and may be cited as the
38 Fairness in Lodging Act. This bill would allow municipalities and
39 counties the option to exercise additional enforcement authority of
40 individuals who rent residential accommodations to tourists, but
41 fail to obtain the county or municipal business licenses and fail to
42 collect and remit local and state accommodations taxes.

[985-1]

1 Currently, taxpayers that rent their private residences for less
2 than fifteen days during a taxable year are not required to remit a
3 seven percent state accommodations tax on the gross proceeds to
4 the state. This bill would not apply to any residential real property
5 when the gross proceeds from the rental are wholly excluded from
6 the gross income of the taxpayer pursuant to Internal Revenue
7 Code Section 280A(g). Specifically, IRC Section 280A(g)(2) is a
8 special rule for certain rental use of real property, and states that if
9 a dwelling unit is used during the taxable year by the taxpayer as a
10 residence and such dwelling unit is actually rented for less than 15
11 days during the taxable year, then the income derived from such
12 use for the taxable year shall not be included in the gross income
13 of such taxpayer. Because South Carolina conforms to the federal
14 tax code pursuant to Section 12-6-40, this special rule would apply
15 under state tax law. This bill, therefore, would apply a state
16 accommodations tax of seven percent to be levied on the gross
17 rental income of those taxpayers that account for this rental income
18 on their federal taxes. The following is a section-by-section
19 analysis of the bill.

20 **Section 1.** The section would permit the governing body of a
21 municipality or county by ordinance to implement the provisions
22 of the Fairness in Lodging Act if it imposes a business license tax
23 on the income of renting residential accommodations to tourists
24 and the local accommodations tax. This act would become
25 effective when a copy of the implementing ordinance is provided
26 to the Director of the Department of Revenue. The Department of
27 Revenue and the implementing jurisdiction would then share
28 detailed information and data required to be submitted by persons
29 renting residential real property to tourists in the implementing
30 jurisdiction to enforce these requirements. If any violations are
31 found, the implementing jurisdiction may impose a one-time civil
32 penalty for noncompliance and failure to obtain a required business
33 license for each seven days the property was rented. This penalty is
34 in addition to all other penalties and interest by the ordinance. In
35 addition, the Department of Revenue shall identify websites
36 containing “rent by owner” vacation rental opportunities and
37 request them to post a statement on the website that the owner of
38 South Carolina rental properties is required to be licensed and to
39 collect applicable local and state fees and taxes.

40 Because the decision to implement and enforce local taxing
41 policies is left to the implementing jurisdiction, we are not able to
42 accurately forecast the number of local taxing jurisdictions that
43 may or may not implement the additional enforcement authority

1 devolved upon them. As an example, however, based on the latest
2 data from the U.S. Department of Commerce, Bureau of the
3 Census, an estimated four percent of all housing units are available
4 for seasonal, recreational, or occasional use in South Carolina. If
5 an estimated 86,268 units are rented at an average rental price of
6 \$1,000 per week for one week per year, and applying a state
7 accommodations tax rate of seven percent yields an increase in
8 state accommodations tax revenue of an estimated \$6,038,760
9 annually. Also, in a recent survey of vacation rental owners by a
10 leading online solicitor of vacation rentals, HomeAway, found that
11 sixty percent of all vacation home owners rent out their homes
12 during the year. Multiplying \$6,038,760 by sixty percent of
13 rentable vacation homes yields an adjusted increase in state
14 accommodations tax revenue of an estimated \$3,623,256 annually.

15 There are several obstacles that must be resolved. The
16 municipality or county must pass an ordinance enforcing home
17 owners that rent their properties to obtain a business license tax
18 and set up an account with the Department of Revenue to receive
19 accommodations tax revenue. The implementing jurisdiction
20 would need to inform the Department of Revenue that an
21 ordinance was adopted and that a system of sharing data must be
22 established. Every home owner in an implementing jurisdiction
23 would need to be notified as to a change in taxing policy and
24 potential civil penalties for noncompliance. If the compliance and
25 enforcement costs of the provision are perceived as too high, the
26 number of taxpayers that may undertake the decision to rent out
27 their homes may be reduced, thereby reducing the amount of total
28 revenue collected. The implementation of this process will take
29 time; therefore, we don't expect that this bill will result in the
30 collection of any revenue in FY2014-15. In future years, the
31 amount of revenue collected would be dependent upon the number
32 of ordinances adopted by municipalities and counties, the number
33 of taxpayers that conform to the legislation, and the degree of
34 compliance with and enforcement of the ordinance.

35 **Section 2.** This section would amend Section 6-1-120(B)(3) to add
36 the phrase "including the specific sharing of data as provided in
37 Article 5 of this Chapter, the Fairness in Lodging Act." This
38 section is not expected to affect general fund revenue in FY2014-
39 15.

40 **Section 3.** This section would amend Section 12-54-240 to add
41 subsection (13) to include disclosure and data sharing as provided
42 in the Fairness in Lodging Act. This section is not expected to
43 affect general fund revenue in FY2014-15.

1 **Section 4.** This section adds an additional duty to the Department
2 of Revenue to provide data and assistance to municipalities and
3 counties in which the Fairness in Lodging Act is implemented.
4 This section is not expected to affect general fund revenue in
5 FY2014-15.

6 **Section 5.** This act takes effect upon approval by the Governor.

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Approved By:

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Frank A. Rainwater

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Board of Economic Advisors

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12 1/ This statement meets the requirement of Section 2-7-71 for a state revenue
13 impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-
14 85(B) for an estimate of the shift in local property tax incidence by the Office of
15 Economic Research.

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A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 6 TO CHAPTER 1, TITLE 6, TO ENACT THE “FAIRNESS IN LODGING ACT” SO AS TO ALLOW MUNICIPALITIES AND COUNTIES BY ORDINANCE TO IMPLEMENT ADDITIONAL ENFORCEMENT PROVISIONS FOR THE BUSINESS LICENSE TAX AND THE LOCAL ACCOMMODATIONS TAX AS THOSE PROVISIONS APPLY TO THE OWNERS OF RESIDENTIAL REAL PROPERTY WHO RENT THE PROPERTY TO TOURISTS, INCLUDING DATA SHARING WITH THE SOUTH CAROLINA DEPARTMENT OF REVENUE, SPECIFIC NOTICE TO PROPERTY OWNERS INCLUDED IN PROPERTY TAX BILLS, AN ADDITIONAL PENALTY THAT MAY BE IMPOSED FOR NONCOMPLIANCE AFTER THE RECEIPT OF SUCH A NOTICE, AND DIRECTIONS TO THE SOUTH CAROLINA DEPARTMENT OF REVENUE TO IDENTIFY “RENTAL BY OWNER” WEBSITES ADVERTISING TOURISTS RENTALS AND REQUEST THEM TO POST ON THE WEBSITES A STATEMENT REGARDING THE LEGAL OBLIGATIONS OF THE OWNERS OF PROPERTY IN THIS STATE LISTED ON THE WEBSITE, TO PAY ALL APPLICABLE LOCAL AND STATE TAXES AND FEES WITH RESPECT TO SUCH RENTALS; AND TO AMEND SECTIONS 6-1-120, 12-54-240, AS AMENDED, AND 12-4-310, RELATING RESPECTIVELY TO THE CONFIDENTIALITY OF LOCAL AND STATE TAX DATA AND EXCEPTIONS THERETO, AND THE DUTIES OF THE SOUTH CAROLINA DEPARTMENT OF REVENUE, SO AS TO CONFORM THEM TO THE PROVISIONS OF THIS ACT.

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

3
4 SECTION 1. Chapter 1, Title 6 of the 1976 Code is amended by
5 adding:

6
7 "Article 6

8
9 Fairness in Lodging Act

10
11 Section 6-1-610. (A) This article may be cited as the 'Fairness
12 in Lodging Act'.

13 (B) The General Assembly finds that:

14 (1) providing lodging accommodations for tourists is a major
15 business in this State;

16 (2) there are instances where individuals who rent residential
17 accommodations to tourists are failing to obtain the county or
18 municipal business licenses required for engaging in such rentals
19 and similarly failing to collect and remit the local accommodations
20 tax imposed pursuant to Article 5 of this chapter and the state sales
21 tax on accommodations imposed pursuant to Section 12-36-920;

22 (3) those who fail to acquire required municipal or county
23 business licenses and remit business license taxes and local and
24 state taxes on providing accommodations to transients are
25 competing unfairly against those who dutifully meet these legal
26 obligations;

27 (4) by the enactment of the Fairness in Lodging Act,
28 municipalities and counties are provided the option to exercise
29 additional enforcement authority with respect to these taxes and to
30 engage in active cooperation with the South Carolina Department
31 of Revenue in data sharing, to provide comprehensive enforcement
32 of the applicable license tax and accommodations tax laws so as to
33 promote a more equal competitive playing field for those engaged
34 in this State in the business of renting accommodations to tourists.

35
36 Section 6-1-615. (A) The governing body of a municipality or
37 county by ordinance may implement the provisions of this article if
38 it imposes a business license tax as provided pursuant to Section
39 4-9-30(12) or Section 5-7-30 applicable to income of renting
40 residential accommodations to tourists and the local
41 accommodations tax provided pursuant to Article 5 of this title.
42 This article applies in the applicable jurisdiction when a certified

1 copy of the implementation ordinance is provided to the Director
2 of the South Carolina Department of Revenue.

3 (B) The provisions of this article do not apply to any residential
4 real property lawfully assessed for property tax purposes pursuant
5 to Section 12-43-220(c) when all rental income on the property is
6 not included in gross income for federal income tax purposes
7 pursuant to Internal Revenue Code Section 280A(g).

8
9 Section 6-1-620. (A) When the provisions of this article apply
10 in an implementing jurisdiction, the South Carolina Department of
11 Revenue, and the implementing jurisdiction using returns and
12 copies of returns and other documents filed with or otherwise
13 available to them shall share data helpful to both the department
14 and the implementing jurisdiction in determining possible
15 instances of noncompliance. The Director of the Department of
16 Revenue may designate employees of the implementing
17 jurisdiction on whom, by such designation, is devolved the
18 authority granted agents of the Department of Revenue to insure
19 the proper collection and payment of state tax underpayments.

20 (B) Implementing jurisdictions shall include or cause to be
21 included notices in annual property tax notices for parcels of
22 residential real property assessed for property tax purposes
23 pursuant to Section 12-43-220(e) as the implementing jurisdiction
24 determines appropriate. These notices must provide details of
25 business license taxes, local accommodations tax, and state sales
26 tax on accommodations required to be paid by persons renting
27 residential real property to tourists in the implementing jurisdiction
28 and the intention of the implementing jurisdiction to vigorously
29 enforce these requirements. Details must include specific
30 information on obtaining additional information with respect to
31 these requirements and the names, addresses, and telephone
32 numbers of officials of implementing jurisdictions that are able to
33 answer questions, provide forms, and assist in compliance.
34 Counties must be reimbursed by implementing municipalities for
35 extra expenses incurred by a county in providing these notices.

36 (C) In addition to other penalties and interest imposed by the
37 ordinance of an implementing jurisdiction for failure to comply
38 with the business license ordinance required of owners in the
39 business of renting residential accommodations to tourists, the
40 jurisdiction may impose, with respect to a single rental property, a
41 one-time civil penalty for noncompliance for failure to obtain a
42 required business license of not less than five hundred dollars nor
43 more than two thousand dollars for each seven days the property

1 was rented. This additional penalty may not be imposed unless the
2 owner has received the notice provided pursuant to subsection (B).
3 For purposes of enforcement and collection, this penalty is deemed
4 property tax on the rental property.

5
6 Section 6-1-625. The South Carolina Department of Revenue
7 shall identify websites containing 'rent by owner' vacation rental
8 opportunities and request them to post a statement on the website
9 that the owner of South Carolina rental properties is required to be
10 licensed and to collect applicable local and state fees and taxes."

11
12 SECTION 2. Section 6-1-120(B)(3) of the 1976 Code is amended
13 to read:

14
15 "(3) sharing of data between public officials or employees in the
16 performance of their duties, including the specific sharing of data
17 as provided in Article 6 of this chapter, the Fairness in Lodging
18 Act."

19
20 SECTION 3. Section 12-54-240(B)(13) of the 1976 Code, as last
21 amended by Act 116 of 2007, is further amended to read:

22
23 "(13) Reserved disclosure and data sharing as provided
24 pursuant to Article 6, Chapter 1, Title 6, the Fairness in Lodging
25 Act."

26
27 SECTION 4. Section 12-4-310 of the 1976 Code is amended to
28 read:

29
30 "Section 12-4-310. The department shall:

31 (1) hold meetings, as considered necessary. The department
32 may hold meetings, transact business, or conduct investigations at
33 any place necessary; however, its primary office is in Columbia;

34 (2) formulate and recommend legislation to enhance
35 uniformity, enforcement, and administration of the tax laws, and
36 secure just taxation and improvements in the system of taxation;

37 (3) consult and confer with the Governor upon the subject of
38 taxation, the administration of the laws, and the progress of the
39 work of the department, and furnish the Governor reports,
40 assistance, and information he may require;

41 (4) prepare and publish, annually, statistics reasonably
42 available with respect to the operation of the department, including

1 amounts collected, and other facts it considers pertinent and
2 valuable;

3 (5) make available to the authorities of a political subdivision
4 information reported to the department pursuant to the
5 requirements of Chapter 36 of this title of businesses licensed
6 under Section 12-36-510 in the requesting political subdivision;

7 (6) hire all necessary personnel, including officers, agents,
8 deputies, experts, and assistants, and assign to them duties and
9 powers as the department prescribes;

10 (7) require those of its officers, agents, and employees it
11 designates to give bond for the honest performance of their duties
12 in the sum and with the sureties it determines; and all premiums
13 on the bonds must be paid by the department;

14 (8) pay travel expenses, purchase, or lease all necessary
15 facilities, equipment, books, periodicals, and supplies for the
16 performance of its duties;

17 (9) exercise and perform other powers and duties as granted to
18 it or imposed upon it by law; ~~and~~.

19 (10) make available to the authorities of a municipality or
20 county in this State levying a tax based on gross receipts or net
21 taxable sales, any records indicating the amount of gross receipts
22 or net taxable sales reported to the department; provided,
23 however, that income tax records may be made available only if
24 the department first has satisfied itself that the gross receipts
25 reported to the municipality or county were less than the gross
26 receipts as indicated by the records of the department; and

27 (11) provide data and assistance to municipalities and counties
28 in which Article 6, Chapter 1, Title 6, the Fairness in Lodging Act,
29 is implemented.”

30

31 SECTION 5. This act takes effect upon approval by the Governor.

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