

## Session 116 - (2005-2006)

### H\*3767 (Rat #0188, Act #0161 of 2005) General Bill, By Kirsh

#### Summary: Tax returns

AN ACT TO AMEND SECTION 12-2-75, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SIGNATORIES TO TAX RETURNS, SO AS TO AUTHORIZE A QUALIFIED TAX PREPARER TO SIGN ELECTRONICALLY; TO AMEND SECTION 12-4-30, RELATING TO COMPOSITION OF THE DEPARTMENT OF REVENUE, SO AS TO DELETE OUT-DATED LANGUAGE; TO AMEND SECTION 12-4-540, RELATING TO APPRAISAL, ASSESSMENT, AND EQUALIZATION OF TAXABLE VALUES OF CORPORATE PROPERTY, SO AS TO MAKE A GRAMMATICAL CHANGE; TO AMEND SECTION 12-6-50, AS AMENDED, RELATING TO SECTIONS OF THE INTERNAL REVENUE CODE NOT ADOPTED BY SOUTH CAROLINA, SO AS TO ADD A CROSS REFERENCE; TO AMEND SECTION 12-6-1170, RELATING TO INCOME DEDUCTION FROM TAXABLE RETIREMENT INCOME, SO AS TO ADD CLARIFYING LANGUAGE; TO AMEND SECTION 12-6-1720, RELATING TO TAXABLE INCOME REPORTABLE BY A NONRESIDENT, SO AS TO INCLUDE LOTTERY AND BINGO WINNINGS; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO THE JOB TAX CREDIT, SO AS TO CORRECT A CROSS REFERENCE; TO AMEND SECTION 12-6-3570, AS AMENDED, RELATING TO TAX CREDITS FOR A MOTION PICTURE PRODUCTION COMPANY, SO AS TO CORRECT A CROSS REFERENCE; TO AMEND SECTION 12-10-80, AS AMENDED, RELATING TO JOB DEVELOPMENT CREDITS, SO AS TO PROVIDE THAT THE COUNTY DESIGNATION IS EFFECTIVE AS OF THE DATE THE APPLICATION FOR CREDITS IS RECEIVED; TO AMEND SECTION 12-54-55, AS AMENDED, RELATING TO INTEREST ON THE UNDERPAYMENT OF ESTIMATED TAX, SO AS TO INCLUDE SMALL AMOUNT PROVISIONS; TO AMEND SECTION 12-54-70, RELATING TO THE EXTENSION OF TIME FOR FILING TAX RETURNS, SO AS TO CLARIFY A CROSS REFERENCE; TO AMEND SECTION 12-54-110, AS AMENDED, RELATING TO THE POWER OF THE DEPARTMENT OF REVENUE TO SUMMON A PERSON, SO AS TO PROVIDE THAT AN ADMINISTRATIVE LAW JUDGE HOLD A CONTEMPT HEARING ON FAILURE TO COMPLY WITH A SUMMONS; TO AMEND SECTION 12-60-90, AS AMENDED, RELATING TO THE ADMINISTRATIVE TAX PROCESS, SO AS TO INCLUDE A MONETARY PENALTY AS A SANCTION AGAINST A PERSON AUTHORIZED TO REPRESENT A TAXPAYER, AND TO CLARIFY THE MEANING OF "FEDERAL TAX OBLIGATIONS"; TO ADD SECTION 12-58-190 SO AS TO PROHIBIT THE DELAY OR DENIAL OF A REFUND BECAUSE OF AN AUDIT; TO REPEAL SECTION 12-58-170, RELATING TO ACTIONS AGAINST THE STATE TO ENFORCE THE TAXPAYERS' BILL OF RIGHTS; TO AMEND SECTION 12-54-43, AS AMENDED, RELATING TO INTEREST DUE ON LATE TAXES, SO AS TO PROVIDE FOR THE VALUE OF BUSINESS PROPERTY; TO AMEND SECTION 6-32-40, RELATING TO PROPERTY TAX CREDITS FOR REVITALIZATION OF A TEXTILE COMMUNITY, SO AS TO PROVIDE FOR THE PASS THROUGH OF THE CREDIT CONSISTENT WITH SUBCHAPTER K RULES; TO AMEND SECTION 30-9-30, AS AMENDED, RELATING TO THE FILING OF WRITTEN INSTRUMENTS, SO AS TO AUTHORIZE THE PERSON SUBMITTING A DOCUMENT THAT THE REGISTER OF DEEDS HAS REFUSED TO FILE TO COMMENCE SUIT REQUIRING THE CLERK OF COURT OR REGISTER OF DEEDS TO ACCEPT THE DOCUMENT FOR FILING, TO DELETE THE PROVISIONS THAT ESTABLISH A PROCEDURE FOR A PERSON TO HAVE A DOCUMENT ACCEPTED FOR FILING AFTER A SWORN AFFIDAVIT IS SUBMITTED, AND TO PROVIDE A PROCEDURE FOR PREVENTING THE CLERK OF COURT OR REGISTER OF DEEDS FROM REMOVING A DOCUMENT; TO AMEND SECTIONS 12-36-90, 12-36-910, AS AMENDED, AND 12-36-1310, AS AMENDED, ALL RELATING TO THE "GROSS PROCEEDS OF SALE" SUBJECT TO SALES AND USE TAX, ALL SO AS TO EXCLUDE REPLACEMENT PARTS IN A SERVICE CONTRACT OR THE SALE OF A SERVICE CONTRACT; TO AMEND SECTION 12-54-250, AS AMENDED, RELATING TO RULES FOR RETURNS AND PAYMENTS, SO AS TO REQUIRE ELECTRONIC RETURNS OR BARCODES; TO AMEND SECTION 12-6-5060, AS AMENDED, RELATING TO DESIGNATION OF VOLUNTARY CONTRIBUTIONS, SO AS TO CONSOLIDATE THE SUBJECT CHARITIES, AND TO REPEAL SECTIONS 12-6-5065, 12-6-5070, 12-6-5080, 12-6-5085, AND 12-6-5090 ALL RELATING TO SPECIFIC CHARITIES; TO AMEND SECTION 12-6-1130, AS AMENDED, RELATING TO COMPUTATION OF TAXABLE INCOME FOR STATE INCOME TAX PURPOSES, SO AS TO PROVIDE THAT A DEDUCTION MUST NOT BE TAKEN BY A RELATED PERSON FOR THE ACCRUAL OF INTEREST OR EXPENSE OR BY THE HOLDER OF AN OBLIGATION FOR INTEREST PAID AS A DIVIDEND EXCEPT AS PROVIDED; TO ADD SECTION 61-2-136 SO AS TO REQUIRE A CURRENTLY LICENSED BEER AND WINE WHOLESALER OR AN ALCOHOLIC LIQUOR WHOLESALER TO NOTIFY THE DEPARTMENT OF REVENUE IN WRITING WHEN RELOCATING THE BUSINESS TO A NEW LOCATION, TO PRESCRIBE THE DETAILS THAT MUST BE INCLUDED IN THE WRITTEN NOTICE, AND TO DIRECT THE DEPARTMENT OF REVENUE TO TRANSFER THE PERMIT TO THE NEW PREMISES; TO AMEND SECTION 61-2-100, AS AMENDED, RELATING TO LICENSEES AND PERMITTEES UNDER TITLE 61, BY REQUIRING THAT A WHOLESALE LICENSEE OR PERMITTEE BE A LEGAL RESIDENT OF THE UNITED STATES AND LIVING IN THIS STATE FOR THIRTY DAYS AND BY, FURTHER, ALLOWING DENIAL OR REVOCATION OF

A LICENSE OR PERMIT RESULTING FROM A MISSTATEMENT OR CONCEALMENT; TO AMEND SECTION 61-2-160, AS AMENDED, RELATING TO THE PROHIBITION ON ISSUING, RENEWING, OR TRANSFERRING AN ALCOHOL LICENSE OR PERMIT UNTIL IT IS DETERMINED THAT THE APPLICANT DOES NOT OWE THE STATE OR FEDERAL GOVERNMENT DELINQUENT TAXES, SO AS TO DELETE THE REFERENCE TO TAXES OWED TO THE FEDERAL GOVERNMENT SO THAT THE PROHIBITION APPLIES ONLY TO THOSE WHO OWE DELINQUENT STATE TAXES; TO AMEND SECTION 61-4-520, RELATING TO CONDITIONS FOR APPLICATIONS, SO AS TO RELATE IT TO RETAIL PERMITS ONLY; TO AMEND SECTION 61-4-525, RELATING TO PROTEST OF DENIAL OF PERMIT, SO AS TO REFER TO A RETAIL BEER AND WINE PERMIT; TO AMEND SECTION 61-6-4310, RELATING TO SALE OF SEIZED ALCOHOLIC LIQUORS, SO AS TO PROVIDE FOR SALE SEIZED ITEMS BY THE SOUTH CAROLINA LAW ENFORCEMENT DIVISION; TO AMEND SECTION 61-6-1540, RELATING TO NONALCOHOLIC MERCHANDISE, SO AS TO PROVIDE THAT WINE WITH A PERCENTAGE OF ALCOHOL IN EXCESS OF SIXTEEN PERCENT MAY BE SOLD ONLY IN A LICENSED LIQUOR STORE OR A SITE PERMITTED FOR ON-PREMISES CONSUMPTION OF ALCOHOLIC LIQUOR; TO AMEND SECTIONS 12-60-510 AND 12-60-1330, BOTH AS AMENDED, RELATING TO CONTESTED CASE HEARINGS AFTER EXHAUSTION OF ADMINISTRATIVE REMEDIES, BOTH SO AS TO PROVIDE FOR A DEFAULT IF THE PROTEST IS NOT TIMELY FILED WITH THE DEPARTMENT; TO REPEAL SECTION 61-6-1520, RELATING TO PRICE DISPLAYS OF ALCOHOLIC BEVERAGES; BY ADDING SECTION 12-37-2890 SO AS TO PROVIDE FOR THE SUSPENSION OF THE DRIVER'S LICENSE AND VEHICLE REGISTRATION OF A PERSON WHO FAILS TO FILE AND PAY A MOTOR CARRIER PROPERTY TAX ON A VEHICLE AND TO PROVIDE THAT SUSPENSION PURSUANT TO THIS PROVISION DOES NOT SUBJECT THE PERSON TO CUSTODIAL ARREST OR THE REQUIREMENT OF PROOF OF FINANCIAL RESPONSIBILITY; TO AMEND SECTION 12-28-310, AS AMENDED, RELATING TO USER FEES ON MOTOR FUELS, SO AS TO SUBSTITUTE THE WORD "TAX" FOR "USER FEE" AND THE PHRASE "TAXABLE MOTOR FUEL" FOR "MOTOR FUEL SUBJECT TO THE USER FEE" AND TO MAKE TECHNICAL CHANGES; TO AMEND SECTION 12-28-330, AS AMENDED, RELATING TO PRESUMPTION OF USE OF MOTOR FUELS IN THIS STATE, SO AS TO FURTHER PROVIDE FOR THE REBUTTABLE PRESUMPTION; TO ADD SECTION 12-54-270 SO AS TO PROVIDE THAT AN UNDELIVERABLE TAX REFUND CHECK IS UNCLAIMED PROPERTY PURSUANT TO THE UNIFORM UNCLAIMED PROPERTY ACT; TO AMEND SECTION 12-18-20, AS AMENDED, RELATING TO DEFINITIONS FOR PURPOSES OF THE UNCLAIMED PROPERTY ACT, SO AS TO INCLUDE AN UNDELIVERABLE TAX REFUND CHECK AS "INTANGIBLE PROPERTY"; TO AMEND SECTION 27-18-140, AS AMENDED, RELATING TO UNCLAIMED INTANGIBLE PROPERTY HELD FOR MORE THAN FIVE YEARS, SO AS TO PROVIDE THAT A MAILED TAX REFUND CHECK THAT IS RETURNED UNDELIVERABLE BY THE UNITED STATES POST OFFICE IS PRESUMED ABANDONED IF UNCLAIMED AFTER THREE MONTHS OF ITS ISSUE; TO AMEND SECTION 27-18-180, AS AMENDED, RELATING TO REPORTING OF UNCLAIMED PROPERTY, SO AS TO EXEMPT THE REPORT OF AN UNDELIVERABLE TAX REFUND CHECK FROM THE PROHIBITION OF CERTAIN DISCLOSURES BY THE DEPARTMENT OF REVENUE; TO REPEAL SECTION 12-6-5560, RELATING TO RETURNED AND UNCLAIMED TAX REFUND CHECKS; TO AMEND SECTION 12-54-46, RELATING TO THE PENALTY FOR FILING AN EXEMPTION CERTIFICATE CLAIMING AN EXCESSIVE NUMBER OF EXEMPTIONS FOR TAX PURPOSES, SO AS TO DESCRIBE SPECIFIC PROHIBITED ACTS, SET THE PENALTY AT FIVE HUNDRED DOLLARS ANNUALLY, AND PROVIDE FOR AN EXCEPTION FOR A CHANGE IN FAMILY CIRCUMSTANCES UNDER CERTAIN CONDITIONS; TO AMEND SECTION 12-36-2610, AS AMENDED, RELATING TO A DISCOUNT FOR TIMELY PAYMENT OF THE SALES AND USE TAX, SO AS TO INCLUDE LOCAL SALES AND USE TAX; TO AMEND SECTION 12-36-2110, RELATING TO THE MAXIMUM SALES TAX ON THE SALE OF CERTAIN PROPERTY, SO AS TO EXCLUDE A FIRE SAFETY EDUCATION TRAILER; TO ADD ARTICLE 19 TO CHAPTER 36 OF TITLE 12, SO AS TO PROVIDE FOR SALES AND USE TAX IN CONNECTION WITH TELECOMMUNICATIONS SOURCING, INCLUDING DEFINITIONS FOR "BUNDLED TRANSACTION" AND "PREPAID WIRELESS CALLING ARRANGEMENTS"; TO AMEND SECTIONS 12-36-910 AND 12-36-1310, BOTH AS AMENDED, RELATING TO THE SALES AND USE TAX, SO AS TO CONFORM THEM TO THE PROVISION FOR SALES AND USE TAX ON TELECOMMUNICATIONS SOURCING; AND TO PROVIDE FOR THE POSTPONEMENT FOR ONE YEAR OF IMPLEMENTATION OF A COUNTYWIDE TAX EQUALIZATION AND REASSESSMENT PROGRAM; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO COUNTY DESIGNATION FOR PURPOSES OF JOBS TAX CREDIT, SO AS TO PROVIDE FOR A COUNTY WITH A LARGE JOB LOSS; TO AMEND SECTION 12-6-3365, AS AMENDED, RELATING TO THE TEN-YEAR CORPORATE INCOME TAX MORATORIUM ALLOWED FOR CREATING AND MAINTAINING AT LEAST ONE HUNDRED FULL-TIME NEW JOBS IN COUNTIES THAT MEET CERTAIN UNEMPLOYMENT OR PER CAPITA INCOME REQUIREMENTS, SO AS TO EXTEND THE MORATORIUM TO A TAXPAYER OTHERWISE ELIGIBLE FOR THE MORATORIUM BUT FOR THE REQUIREMENT THAT AT LEAST NINETY PERCENT OF THE TAXPAYER'S TOTAL INVESTMENT IN THIS STATE MUST BE IN THE MORATORIUM COUNTY AND ALLOW THE MORATORIUM WHEN THAT

TAXPAYER CREATES AT LEAST ONE HUNDRED NEW JOBS AND INVESTS AT LEAST ONE HUNDRED FIFTY MILLION DOLLARS IN A MANUFACTURING FACILITY IN A SECOND COUNTY DESIGNATED AS DISTRESSED, LEAST DEVELOPED, OR UNDERDEVELOPED WITH THE NINETY PERCENT OVERALL LIMITATION APPLYING TO INVESTMENT IN ONE OR BOTH OF THESE COUNTIES, TO EXTEND THE MORATORIUM SIMILARLY WHEN THE NUMBER OF JOBS CREATED WOULD ALLOW THE TAXPAYER A FIFTEEN-YEAR MORATORIUM, TO PROVIDE THAT A CHANGE IN BUSINESS FORM DURING THE MORATORIUM PERIOD DOES NOT AFFECT THE MORATORIUM, TO DEFINE "TAXPAYER" TO INCLUDE A GROUP OF AFFILIATED TAXPAYERS, AND TO MAKE CONFORMING AMENDMENTS; TO AMEND SECTION 12-10-85, AS AMENDED, RELATING TO THE STATE RURAL INFRASTRUCTURE FUND, SO AS TO PROVIDE BENEFITS TO MUNICIPALITIES AS WELL AS COUNTIES; TO AMEND SECTION 12-37-220, AS AMENDED, RELATING TO GENERAL EXEMPTIONS FROM TAXES, SO AS TO INCLUDE CERTAIN PUBLIC BENEFIT CORPORATIONS AND PROPERTY LEASED TO A VOLUNTEER FIRE OR RESCUE SQUAD; TO AMEND SECTION 36-9-501, RELATING TO FILING A FINANCING STATEMENT IN THE APPROPRIATE FILING OFFICE TO PERFECT A SECURITY INTEREST, SO AS TO PROVIDE FOR CRIMINAL PENALTIES FOR FILING A FINANCING STATEMENT THAT IS FRAUDULENT OR THAT IS FOR THE PURPOSE OF HINDERING, HARASSING, OR INTERFERING WITH ANOTHER PERSON OR ENTITY, AND TO PROVIDE, FURTHER, FOR A CIVIL CAUSE OF ACTION AGAINST THE FILER; TO AMEND SECTION 36-9-516, RELATING TO EFFECTIVENESS OF A FILING, SO AS TO INCLUDE REJECTION BY THE SECRETARY OF STATE UPON DETERMINATION THAT THE FILING IS FOR A FRAUDULENT OR OTHERWISE IMPROPER PURPOSE, DOES NOT FALL WITHIN THE SCOPE OF CHAPTER 9 FILINGS, OR SHOWS THE SAME PERSON AS DEBTOR AND CREDITOR; TO AMEND SECTION 36-9-518, RELATING TO CORRECTION OF THE WRONGFUL FILING OF A FINANCING STATEMENT, SO AS TO PROVIDE FOR CANCELLATION OF A FINANCING STATEMENT FOR FRAUDULENT OR OTHER IMPROPER PURPOSES; TO AMEND SECTION 36-9-520, RELATING TO ACCEPTANCE AND REFUSAL TO ACCEPT A FILING, SO AS TO PROVIDE FOR THE APPEAL OF A SECRETARY OF STATE'S REJECTION OR CANCELLATION OF A WRONGFULLY FILED RECORD; TO AMEND SECTION 12-37-220, AS AMENDED, RELATING TO PROPERTY CLASSES EXEMPT FROM TAXES, SO AS TO INCLUDE PROPERTY OWNED BY A PARAPLEGIC OR HEMIPLEGIC WITH CERTAIN DISEASES; BY ADDING SECTION 12-6-3580 AND TO AMEND SECTION 12-10-80, AS AMENDED, RELATING TO JOB DEVELOPMENT CREDITS, BOTH SO AS TO INCLUDE AS A TAX CREDIT FEES FOR PARTICIPATION IN THE SOUTH CAROLINA QUALITY FORUM; TO AMEND SECTIONS 12-44-30, 4-12-30, AND 4-29-67, ALL AS AMENDED, AND ALL RELATING TO SOME FORM OF FEE IN LIEU OF TAXES, SO AS TO INCLUDE A CERTIFIED ECONOMIC DEVELOPMENT PROJECT AS A QUALIFIED PROJECT; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO COUNTY DESIGNATIONS FOR THE JOBS TAX CREDIT, SO AS TO PROVIDE FOR A COUNTY WHO HAS SUFFERED A LARGE JOB LOSS; BY ADDING SECTION 12-6-3580 SO AS TO PROVIDE FOR A REFUNDABLE INCOME TAX CREDIT FOR A RESIDENT MILK PRODUCER; BY ADDING SECTION 12-45-185 SO AS TO ALLOW FOR WAIVER OF A PENALTY FOR LATE PAYMENT OF TAXES UPON PROOF OF TIMELY DELIVERY; AND BY ADDING SECTION 12-6-3575 SO AS TO ALLOW A NONREFUNDABLE CREDIT AGAINST INCOME TAX FOR ONE-HALF THE PREMIUM COSTS FOR HEALTH INSURANCE COVERAGE UNDER CERTAIN CONDITIONS AND WITH CERTAIN LIMITATIONS. - ratified title

<b>03/15/05</b>	<b>House</b>	<b>Introduced and read first time HJ-51</b>
<b>03/15/05</b>	<b>House</b>	<b>Referred to Committee on Ways and Means HJ-52</b>
<b>04/13/05</b>	<b>House</b>	<b>Committee report: Favorable with amendment Ways and Means HJ-14</b>
<b>04/19/05</b>	<b>House</b>	<b>Amended HJ-95</b>
<b>04/19/05</b>	<b>House</b>	<b>Debate interrupted HJ-112</b>
<b>04/19/05</b>	<b>House</b>	<b>Debate adjourned HJ-127</b>
<b>04/19/05</b>	<b>House</b>	<b>Read second time HJ-151</b>
<b>04/20/05</b>	<b>House</b>	<b>Read third time and sent to Senate HJ-28</b>
<b>04/20/05</b>	<b>Senate</b>	<b>Introduced and read first time SJ-9</b>
<b>04/20/05</b>	<b>Senate</b>	<b>Referred to Committee on Finance SJ-9</b>
<b>05/18/05</b>	<b>Senate</b>	<b>Committee report: Favorable with amendment Finance SJ-23</b>
<b>05/25/05</b>	<b>Senate</b>	<b>Amended SJ-103</b>
<b>05/26/05</b>	<b>Senate</b>	<b>Amended SJ-322</b>
<b>05/26/05</b>	<b>Senate</b>	<b>Read second time SJ-322</b>
<b>05/26/05</b>	<b>Senate</b>	<b>Unanimous consent for third reading on next legislative day SJ-322</b>
<b>05/27/05</b>	<b>Senate</b>	<b>Read third time and returned to House with amendments</b>
<b>06/01/05</b>	<b>House</b>	<b>Senate amendment amended HJ-42</b>

<b>06/01/05</b>	<b>House</b>	<b>Debate adjourned HJ-46</b>
<b>06/01/05</b>	<b>House</b>	<b>Returned to Senate with amendments HJ-65</b>
<b>06/01/05</b>	<b>Senate</b>	<b>Concurred in House amendment and enrolled SJ-69</b>
<b>06/02/05</b>		<b>Ratified R 188</b>
<b>06/09/05</b>		<b>Became law without Governor's signature</b>
<b>06/17/05</b>		<b>Copies available</b>
<b>06/17/05</b>		<b>Effective date See Act for Effective Date</b>
<b>06/21/05</b>		<b>Act No. 161</b>