COMMITTEE REPORT

April 15, 2010

**H. 3122**

Introduced by Rep. Huggins

S. Printed 4/15/10--H.

Read the first time January 13, 2009.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 3122) to amend Section 12‑60‑430, as amended, Code of Laws of South Carolina, 1976, relating to the failure of a taxpayer to make a report or, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, by striking subsection (C) of Section 12‑60‑430 of the 1976 Code, as contained in SECTION 1 and inserting:

/ (C) The ‘best information available’ for purposes of subsections (A) and (B) of this section means either previous returns filed by the taxpayer, if any, or information supplied by the taxpayer upon request of the department sent by first class mail, return receipt requested, if no previous returns have been filed. /

Renumber sections to conform.

Amend title to conform.

DANIEL T. COOPER for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

$0 (No additional expenditures or savings are expected)

**EXPLANATION OF IMPACT:**

The Department of Revenue reports this bill will have no fiscal impact on the General Fund of the State or federal and/or other funds.

*Approved By:*

Harry Bell

Office of State Budget

**A** **BILL**

TO AMEND SECTION 12‑60‑430, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE FAILURE OF A TAXPAYER TO MAKE A REPORT OR FILE A RETURN REQUIRED BY LAW OR A TAXPAYER WHO FILES A FRIVOLOUS RETURN, SO AS TO FURTHER PROVIDE FOR THE INFORMATION THE DEPARTMENT MUST CONSIDER WHEN MAKING AN ESTIMATE OF THE TAX LIABILITY OF THE TAXPAYER UNDER THESE CIRCUMSTANCES.

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

SECTION 1. Section 12‑60‑430 of the 1976 Code, as last amended by Act 116 of 2007, is further amended by adding:

“(C) The ‘best information available’ for purposes of this subsections (A) and (B) of this section means either previous returns filed by the taxpayer, if any, or information supplied by the taxpayer upon request of the department sent by first class mail, return receipt requested, if no previous returns have been filed. If no previous returns of the taxpayer have been filed and if the taxpayer fails to respond to the request for information, the department may then make a good faith estimate of the liability of the taxpayer based on other relevant factors including the experience of other similarly situated taxpayers.”

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

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