COMMITTEE REPORT

March 24, 2010

**H. 4585**

Introduced by Reps. Cooper, Harrell, Hardwick, Hearn, T.R. Young, Horne, Parker, Allison, Umphlett, Wylie, Erickson, Viers, Clemmons, Gunn, Barfield and Cato

S. Printed 3/24/10--S. [SEC 3/25/10 1:39 PM]

Read the first time March 2, 2010.

**THE COMMITTEE ON FINANCE**

To whom was referred a Joint Resolution (H. 4585) extending the deadline for the date of the report and recommendations of the South Carolina Taxation Realignment Commission (TRAC) from March 15, 2010, to November 15, 2010, etc., respectfully

**REPORT:**

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

Amend the joint resolution, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 1, subsection (C)(2) of Act 81 of 2009 is amended to read:

“(2) no later than ~~March~~ November 15, 2010, prepare and deliver a report and recommendation to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, including the text of an amendment that effectuates the recommendations. The commission’s report must be a detailed, comprehensive, and careful evaluation of the state’s tax system structure. The commission’s report shall consider:

(a) sales and use tax exemptions or limitations to be retained, modified, or repealed;

(b) the assessment of state and local taxes levied and other provisions affecting state and local revenue to fund the operation and responsibilities of state and local government, respectively; and

(c) any fee, fine, license, forfeiture, or Other Funds.

After reviewing the adequacy, equity, and efficiency of the state’s revenue structure, the commission’s report may recommend that no changes are necessary if it determines that such findings are warranted. Following the report and recommendation required by subsection (C)(2), the commission shall continue studying the subjects identified in subsection (C)(2). The commission may make further legislative recommendations at any time. Also, the commission must submit a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on August first and February first of each year detailing the commission’s progress and points of focus.

For purposes of the scope of the commission’s study, local taxes are defined as local levies related to ad valorem taxation, including, but not limited to, assessment ratios, classification and valuation of property, assessable transfers of interest, valuation limitation, local millages, and fee in lieu of taxes agreements; however, local taxes do not include the exemption of owner‑occupied residential property as provided in Section 12‑37‑220(B)(47).

The commission’s report may not recommend any action that would nullify any existing agreement entered into by a local government.

The commission must forward its recommendation to the Board of Economic Advisors that must prepare a revenue impact detailing the sources of revenue at the state and local level the commission recommends should be increased or decreased, the projected amount of increase or decrease to each source of revenue, and the net gain or loss of total revenue at both the state and local levels that would result from the recommendation. The report must be attached to any legislative recommendation made by the commission prior to it being submitted to any member of the General Assembly.”

SECTION 2. This joint resolution takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**A** **JOINT RESOLUTION**

EXTENDING THE DEADLINE FOR THE DATE OF THE REPORT AND RECOMMENDATIONS OF THE SOUTH CAROLINA TAXATION REALIGNMENT COMMISSION (TRAC) FROM MARCH 15, 2010, TO NOVEMBER 15, 2010, AND PROVIDING THAT THE COMMISSION’S REPORT WITH REGARD TO AD VALOREM TAXES MAY EXTEND TO ALL CONSTITUTIONAL AND STATUTORY PROVISIONS PERTINENT TO THE IMPOSITION OF AD VALOREM TAXES.

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

SECTION 1. (A) Notwithstanding the reporting date for and duties of the South Carolina Taxation Realignment Commission (TRAC) provided pursuant to Section 1(C)(2) of Act 81 of 2009, the date for TRAC’s report and recommendations, currently March 15, 2010, is extended to no later than November 15, 2010.

(B) The commission’s report required by the date provided pursuant to subsection (A) of this joint resolution must be a detailed, comprehensive, and careful evaluation of the state’s tax system structure and, with regard to ad valorem taxes, the commission’s review and report may extend to all constitutional and statutory provisions pertinent to the imposition of ad valorem taxes.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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