**South Carolina General Assembly**

119th Session, 2011-2012

**S. 1498**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Fair, Bryant and L. Martin

Document Path: l:\council\bills\swb\5303sd12.docx

Companion/Similar bill(s): 5197

Introduced in the Senate on May 1, 2012

Currently residing in the Senate Committee on **Finance**

Summary: Internal Revenue Code, delete Section 172(b)(1)

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

5/1/2012 Senate Introduced and read first time ([Senate Journal‑page 4](file:///h:\sj%20archive\2012\05-01-12.docx))

5/1/2012 Senate Referred to Committee on **Finance** ([Senate Journal‑page 4](file:///h:\sj%20archive\2012\05-01-12.docx))

**VERSIONS OF THIS BILL**

[5/1/2012](file:///p:\pprever\2011-12\1498_20120501.docx)

**A** **BILL**

TO AMEND SECTION 12‑6‑50, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SECTIONS OF THE INTERNAL REVENUE CODE NOT ADOPTED BY THIS STATE, SO AS TO DELETE SECTION 172(b)(1) OF THE INTERNAL REVENUE CODE PERTAINING TO NET OPERATING LOSS CARRYBACKS THEREBY MAKING ITS PROVISIONS APPLICABLE IN SOUTH CAROLINA FOR STATE INCOME TAX PURPOSES; AND TO PROVIDE THAT THE DELETION OF THIS INTERNAL REVENUE CODE SECTION IS APPLICABLE FOR THE YEAR 2011 AND THEREAFTER.

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

SECTION 1. Section 12‑6‑50 of the 1976 Code, as last amended by Act 126 of 2012, is further amended to read:

“Section 12‑6‑50. For purposes of this title and all other titles that provide for taxes administered by the department, except as otherwise specifically provided, the following Internal Revenue Code Sections are specifically not adopted by this State:

(1) Sections 1(a) through 1(e), 3, 11, and 1201 relating to federal tax rates;

(2) Sections 22 through 54, 515, 853, 901 through 908, and 960 relating to tax credits;

(3) Sections 55 through 59A relating to minimum taxes;

(4) Sections 78, 85(c), 86, 87, 168(k), 168(l), 168(m), 168(n), 196, and 280C relating to dividends received from certain foreign corporations by domestic corporations, unemployment compensation, taxation of social security and certain railroad retirement benefits, the alcohol fuel credit, bonus depreciation, deductions for certain unused business credits, and certain expenses for which credits are allowable;

(5) Sections 72(m)(5)(B), 72(f), 72(o), 72(q), and 72(t), relating to penalty taxes on certain retirement plan distributions;

(5A) Section 108(i) relating to the deferral and ratable inclusion of income arising from business indebtedness discharged by the reacquisition of a debt instrument;

(5B) Section 163(e)(5)(F) relating to original issue discount on certain high yield obligations;

(6) ~~Section 172(b)(1) relating to net operating loss carrybacks;~~ Reserved

(7) Section 199 relating to the deduction attributable to domestic production activities;

(8) Sections 531 through 564 relating to certain special taxes on corporations;

(9) Sections 581, 582, and 585 through 596 relating to the taxation of banking institutions;

(10) Sections 665 through 668 relating to taxation of certain accumulation distributions from trusts;

(11) Sections 801 through 848 relating to taxation of insurance companies;

(12) Sections 861 through 909, 912, 931 through 940, and 944 through 989 relating to the taxation of foreign income;

(13) Sections 1352 through 1359 relating to an alternative tax on qualifying shipping activities;

(14) Sections 1400 through 1494;

(15) Sections 1501 through 1505 relating to consolidated tax returns; and

(16) Sections 2001 through 7655, 7801 through 7871, and 8001 through 9602, except for Sections 6015 and 6701, and except for Sections 6654 and 6655 which are adopted as provided in Section 12‑6‑3910 and Section 12‑54‑55. However, Section 6654(d)(1)(D) relating to estimated tax payments for qualified individuals as defined in that item is not adopted.”

SECTION 2. The deletion of item (6) of Section 12‑6‑50 of the 1976 Code, as contained in Section 1 of this act, is applicable for the year 2011 and thereafter.

SECTION 3. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑