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COMMITTEE REPORT

March 7, 2012

**S. 1101**

Introduced by Senators Sheheen, Malloy, Land, Leventis, Scott, Hutto, Nicholson, McGill, Setzler, Ford, Matthews, Reese and Anderson

S. Printed 3/7/12--S.

Read the first time January 12, 2012.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 1101) to amend Chapter 2, Title 12 of the 1976 Code, relating to general provisions concerning taxation and the Department of Revenue, by adding Section 12‑2‑110, 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 all after the enacting words and inserting:

/ SECTION 1. Chapter 2, Title 12 of the 1976 Code, is amended by adding:

“Section 12‑2‑110.(A) As used in this section:

(1) ‘Appropriation category’ means each of the functional groups under which the Office of State Budget categorizes agency appropriations for purposes of historical analysis, including a category for tax relief for businesses and individuals, including, but not limited to, property tax relief pursuant to Sections 12‑37‑220(B)(47)(a), 12‑37‑250, 12‑37‑450, and 12‑37‑935.

(2) ‘Revenue sources’ means each category of state revenue as contained in the ‘Revenue and Source of Income’ portion of Part 1A of the annual appropriations act excluding non‑state portions of transportation revenue, but including revenue generated by the tax imposed pursuant to Section 12‑36‑1110 as projected by the Board of Economic Advisors in its annual ‘General Fund Revenue Forecast Table’ utilized during the annual appropriations process. Revenue sources may include non‑recurring state revenue utilized in the annual appropriations act.

(B)(1) The Office of State Budget must develop a chart that accurately reflects the relative proportion of appropriations for each appropriations category to the total appropriations contained in the most recent annual appropriations act for those categories in the aggregate. For purposes of this subsection, ‘appropriations’ shall mean appropriations made from a revenue source.

(2) The Office of State Budget must also develop a separate chart that accurately reflects the relative proportion of revenue sources to the total revenue from those sources utilized in the most recent annual appropriations act. Revenue sources contained in this chart must be categorized as being derived from collections of retail sales taxes, individual income taxes, corporate income taxes and license fees, or miscellaneous revenue or other sources.

(3) The Office of State Budget shall provide these charts, along with explanations, to the Department of Revenue no later than August first of each year, to the extent possible.

(C) The department must conspicuously display the charts, along with explanations, in its individual income tax return instruction booklet, and prominently display a link to the charts on the homepage of its website. To the extent practicable, the department shall include a link to these charts on Form 1099G if space permits.”

SECTION 2. Chapter 54, Title 12 of the 1976 Code is amended by adding:

“Section 12‑54‑255. The department shall encourage tax software providers to create a link to the charts displayed on its website pursuant to Section 12‑2‑110 in the e‑mail sent by providers when confirming the receipt of income taxes filed electronically.”

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

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND CHAPTER 2, TITLE 12 OF THE 1976 CODE, RELATING TO GENERAL PROVISIONS CONCERNING TAXATION AND THE DEPARTMENT OF REVENUE, BY ADDING SECTION 12‑2‑110, TO PROVIDE THAT THE DEPARTMENT MUST DEVELOP A CHART TO REFLECT THE PROPORTION OF APPROPRIATIONS FOR CERTAIN APPROPRIATIONS CATEGORIES TO TOTAL STATE APPROPRIATIONS AND TO DEVELOP A CHART TO REFLECT THE PROPORTION OF CATEGORIZED REVENUE SOURCES TO THE TOTAL REVENUE USED IN THE ANNUAL APPROPRIATIONS ACT, AND TO PROVIDE THAT THE CHARTS MUST BE DISPLAYED ON INCOME TAX FORMS, INCOME TAX FORM INSTRUCTION BOOKLETS, AND IN CONFIRMATION E‑MAILS FOR INCOME TAX RETURNS FILED ELECTRONICALLY; AND TO AMEND CHAPTER 54, TITLE 12, RELATING TO THE UNIFORM METHOD OF COLLECTION AND ENFORCEMENT OF TAXES LEVIED AND ASSESSED BY THE SOUTH CAROLINA DEPARTMENT OF REVENUE, BY ADDING SECTION 12‑54‑255, TO REQUIRE THAT THE DEPARTMENT OF REVENUE SEND A CONFIRMATION E‑MAIL FOR ALL INCOME TAX RETURNS FILED ELECTRONICALLY, AND TO REQUIRE THAT THE CONFIRMATION E‑MAIL CONTAIN THE CHARTS REQUIRED BY SECTION 12‑2‑110.

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

SECTION 1. Chapter 2, Title 12 of the 1976 Code is amended by adding:

“Section 12‑2‑110. (A) As used in this section:

(1) ‘Appropriation category’ shall mean each of the functional groups under which the Office of State Budget categorizes agency appropriations for purposes of historical analysis, including property tax relief for businesses and individuals.

(2) ‘Revenue sources’ shall mean each category of state revenue as contained in the Board of Economic Advisor’s annual ‘General Fund Revenue Forecast Table’ utilized during the annual appropriations process.

(B)(1) The department must develop a chart that accurately reflects the relative proportion of appropriations for each appropriations category to the total appropriations contained in the most recent annual appropriations act.

(2) The department must also develop a separate chart that accurately reflects the relative proportion of revenue sources to the total revenue that coincides with the revenue utilized in the final version of the most recent annual appropriations act. Revenue sources contained in this chart must be categorized as being derived from collections of retail sales taxes, individual income taxes, corporate income taxes and license fees, or miscellaneous revenue or other sources.

(C) The charts must be conspicuously printed on the front page of every income tax form, on the first page of every income tax form instruction booklet, and contained in every e‑mail sent to confirm the receipt of income taxes filed electronically. An explanation of the charts must be printed in every income tax form instruction booklet and in every e‑mail sent to confirm the receipt of income taxes filed electronically.”

SECTION 2. Chapter 54, Title 12 of the 1976 Code is amended by adding:

“Section 12‑54‑255. The department must provide each taxpayer that utilizes electronic means established by the department to file income tax returns with a confirmation e‑mail that, in addition to confirming the receipt of the tax return, contains at least the information required in Section 12‑2‑110.”

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

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