~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 6, 2011

**H. 3650**

Introduced by Reps. Cooper and Ott

S. Printed 4/6/11--H.

Read the first time February 10, 2011.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 3650) to amend Section 12‑37‑2725, Code of Laws of South Carolina, 1976, relating to cancellation of a license plate and registration certificate when a vehicle owner moves, etc., respectfully

**REPORT:**

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

DANIEL T. COOPER for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill is not expected to impact state revenues. The impact, if any on local revenues is expected to be less than $100,000 statewide.

**Explanation**

Section 1 allows form 5051 issued by the Department of Motor Vehicles to substitute for the license plate and registration certificate when applying for a prorated property tax refund on a car when the owner moves out of State.

Section 2 pertains to duties of the county assessor and auditor when untaxed property is discovered for purposes of property taxation.

Section 3 relates to the time limits for assessing delinquent taxes to conform to the language of the changes made to Section 12-39-220 in Section 2 of this bill.

*Approved By:*

William C. Gillespie

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND SECTION 12‑37‑2725, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CANCELLATION OF A LICENSE PLATE AND REGISTRATION CERTIFICATE WHEN A VEHICLE OWNER MOVES OUT OF STATE AND THE PRORATED PROPERTY TAX REFUND DUE ON THAT CANCELLATION, SO AS TO ALLOW THE APPROPRIATE RECEIPT ISSUED BY THE DEPARTMENT OF MOTOR VEHICLES TO SUBSTITUTE FOR THE ACTUAL LICENSE PLATE AND CERTIFICATE; TO AMEND SECTION 12‑39‑220, RELATING TO THE DISCOVERY OF UNTAXED PROPERTY FOR PURPOSES OF PROPERTY TAXES, SO AS TO PROVIDE THE DUTIES OF THE ASSESSOR WITH RESPECT TO THIS PROPERTY; AND TO AMEND SECTION 12‑54‑85, AS AMENDED, RELATING TO THE TIME LIMITS APPLICABLE FOR ASSESSING DELINQUENT TAXES, SO AS TO MAKE A CONFORMING AMENDMENT.

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

SECTION 1. Section 12‑37‑2725 of the 1976 Code is amended to read:

“Section 12‑37‑2725. When the title to a licensed vehicle is transferred, or the owner of the vehicle becomes a legal resident of another state and registers the vehicle in the new state of residence, the license plate and registration certificate may be returned for cancellation. The license plate and registration certificate must be delivered to the auditor of the county of the vehicle’s registration and tax payment. A request for cancellation must be made in writing to the auditor upon forms approved by the Department of Motor Vehicles. The auditor, upon receipt of the license plate, registration certificate, and the request for cancellation, shall order and the treasurer shall issue a credit or refund of property taxes paid by the transferor on the vehicle. A receipt form 5051 issued by the Department of Motor Vehicles substitutes for the license plate and registration certificate otherwise required. The amount of the refund or credit is that proportion of the tax paid that is equal to that proportion of the complete months remaining in that tax year. The auditor, within five days ~~thereafter~~ after that, shall deliver the license plate, registration certificate, and the written request for cancellation to the Department of Motor Vehicles. Upon receipt, the Department of Motor Vehicles shall cancel the license plate and registration certificate and may not reissue ~~the same~~ them.”

SECTION 2. Section 12‑39‑220 of the 1976 Code is amended to read:

“Section 12‑39‑220. If the county ~~auditor shall at any time discover~~ assessor discovers that ~~any~~ real estate or a new structure~~, duly returned and appraised for taxation,~~ has been omitted from the duplicate, he ~~shall~~ immediately shall notify the auditor who shall immediately charge it on the duplicate with the taxes of the current year and the simple taxes of each preceding year ~~it may have escaped taxation. And if~~ allowed pursuant to Section 12‑54‑85.

If the auditor discovers personal property has been omitted from the duplicate, he immediately shall charge it on the duplicate with the taxes of the current year and the simple taxes of each preceding year allowed pursuant to Section 12‑54‑85.

If the owner of ~~any~~ the real estate ~~or~~, new structure ~~thereon~~, or personal property subject to taxation~~,~~ has not reported it for taxation, according to the requirements of this chapter, and it has not been appraised for taxation, the ~~auditor shall~~ appropriate official, upon discovery ~~thereof~~ of that, shall appraise it and, upon making return of ~~such~~ the appraisement, ~~shall~~ charge it upon the duplicate, with the taxes of the then current year and the taxes of each preceding year ~~it may have escaped taxation~~ allowed pursuant to Section 12‑54‑85, with twenty percent penalty upon ~~such~~ the taxes of preceding years. ~~And if any~~ If real estate ~~shall have~~ has been omitted in ~~any~~ a return, the ~~auditor~~ assessor of the county shall appraise it immediately for taxation, file ~~such~~ the appraisement in his office and the auditor shall charge it with the taxes of the current year and the simple taxes of preceding years ~~it may have escaped taxation~~ allowed pursuant to Section 12‑54‑85.”

SECTION 3. Section 12‑54‑85(C) of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

“(C) Taxes may be determined and assessed after the thirty‑six month limitation if:

(1) there is fraudulent intent to evade the taxes;

(2) the taxpayer failed to file a return or document as required by law;

(3) there is a twenty percent understatement of the total of all taxes required to be shown on the return or document. The taxes in this case may be assessed at any time within seventy‑two months from the date the return or document was filed or due to be filed, whichever is later. For the purpose of this item, the total of all taxes required to be shown on the return is the total of all taxes required to be shown on the return before any reduction for estimated payments, withholding payments, other prepayments, or discount allowed for timely filing of the return and payment of the tax due, but that amount must be reduced by another credit that may be claimed on the return;

(4) the person liable for any taxes consents in writing, before the expiration of the time prescribed in this section for assessing taxes due, to the assessment of the taxes after the time prescribed by this section; ~~or~~

(5) the tax is a use tax imposed under Chapter 36 of this title, or a local use tax administered and collected by the department on behalf of a local jurisdiction, and the assessment of the use tax is the result of information received from, or as a result of exchange agreements with, other state or local taxing authorities, regional or national tax administration organizations, or the federal government. The use taxes in this case may be assessed at any time within twelve months after the department receives the information, but no later than seventy‑two months after the last day the use tax may be paid without penalty~~.~~; or

(6) the property has been omitted pursuant to Section 12‑39‑220. In this case, the taxes may be assessed at any time within the seventy‑two months from the date the taxes would have been due.”

SECTION 4. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑