COMMITTEE REPORT

February 7, 2013

**S. 15**

Introduced by Senators Grooms, Campsen and Ford

S. Printed 2/7/13--S.

Read the first time January 8, 2013.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 15) to amend the Code of Laws of South Carolina, 1976, by enacting the “Taxpayer Fairness Act” by adding Section 12‑4‑397 to provide the manner, etc., respectfully

**REPORT:**

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

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ENACTING THE “TAXPAYER FAIRNESS ACT” BY ADDING SECTION 12‑4‑397 TO PROVIDE THE MANNER IN WHICH THE SOUTH CAROLINA DEPARTMENT OF REVENUE MUST INTERPRET TAX STATUTES OF THIS STATE, TO PROVIDE THAT TERMS IN THE TAX STATUTES OF THIS STATE MAY NOT BE GIVEN BROADER MEANING THAN INTENDED BY POLICY DOCUMENTS AND REGULATIONS OF THE DEPARTMENT OF REVENUE, TO PROVIDE THAT AMBIGUITY IN TAX STATUTES MUST BE RESOLVED IN FAVOR OF THE TAXPAYER, TO REQUIRE THE DEPARTMENT TO REPORT AMBIGUITIES TO CERTAIN MEMBERS OF THE GENERAL ASSEMBLY, AND TO DEFINE “TAX STATUTES OF THIS STATE”.

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

SECTION 1. This act may be cited as the “Taxpayer Fairness Act”.

SECTION 2. Article 3, Chapter 4, Title 12 of the 1976 Code is amended by adding:

“Section 12‑4‑397. (A) For purposes of this section, a ‘tax statute of this State’ means a statute imposing a tax or fee administrated by the South Carolina Department of Revenue.

(B) In applying the tax statutes of this State, the department’s interpretation of the statutes must be based on the plain meaning of the statute’s text and the legislative intent giving rise to the enactment of the statutes.

(C) Terms contained in the tax statutes of this State may not be given broader meaning in policy documents or regulations of the department beyond the meaning of the statute.

(D) At least twice annually, the department shall submit a report to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the chairmen of the Senate Finance Committee and the House Ways and Means Committee regarding any discovered ambiguity in the meaning of a tax statute. The first report must be submitted no later than May first and the second report must be submitted no later than November first of each year.”

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

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