

**TAXPAYER RIGHTS ADVOCATE  
ANNUAL REPORT  
FISCAL YEAR 2004-2005**



**OCTOBER 27, 2005**

## **2004-2005 ANNUAL REPORT OF TAXPAYER RIGHTS ADVOCATE**

### **TRA CASES OPENED**

Two Hundred and Fifty Six (256) Taxpayer Rights Advocate case files were opened during the fiscal year 2004-05.

### **REFERRAL SOURCE ANALYSIS**

The following represents the number of files opened as a result of various referral sources:

<b>Referral Source</b>	<b>Number of Cases</b>	<b>Percentage</b>
Direct Telephone Calls to TRA	66	26%
DOR Employee Referral	13	5%
Written Request by Taxpayer	64	25%
Director Referral	68	27%
Legislative Referral	13	5%
Governor's Office Referral	26	10%
E-mail correspondence by Taxpayer	2	1%
Other	4	1%

### **TRA CASE TYPE ANALYSIS**

<b>Case Type</b>	<b>Number of Cases</b>	<b>Percentage</b>
Liens/Warrants	35	14%
Stay in Collection	29	11%
Miscellaneous	21	8%
Penalties & Interest	16	6%
Sales Tax	14	5%
Withholding	13	5%
Wage Levy	13	4%
Tax Refunds	10	4%
Tax Liens for Failure to File	10	4%
Debt Match	8	3%

Payment Plan Request	8	3%
Audits	7	3%
Amended returns	7	3%
IRS matters	7	3%
Incorrect assessment	6	2%
Offer to Compromise	6	2%
Statute of Limitations	6	2%
Data Warehouse-Filing Enforcement	6	2%
Property Tax concerns	5	2%
Appeals	5	2%
Bank Levy	4	2%
Tuition Tax Credit	3	1%
Lien notice to wrong address	3	1%
Disability concerns	2	1%
Licenses	2	1%
Innocent Spouse Relief	2	1%
Exemptions	2	1%
Corporate Tax	2	1%
Responsible Party	2	1%
Motor Carrier	2	1%
R.A.R. Match	1	1%

## **2005-06 TRA OBJECTIVES**

### **I. Responses to objectives from previous fiscal year**

**Objective:** Develop form to act as application for relief.

We continue to work on the development of a form to be used as an application for relief.

**Objective:** Research proposal to conduct annual public hearing for taxpayer rights.

It has been shown that advisory group hearings, hearings on policy documents and other electronic measures of contact have satisfied the need for annual public hearings.

**Objective:** Revise Taxpayer Bill of Rights.

The Taxpayer Bill of Rights was amended to help eliminate frivolous lawsuits.

## **II. DOR Web-site link to contact TRA**

As indicated earlier, taxpayers are referred through a number of different sources. My phone number is included on all collection forms in conjunction with the printed synopsis of the Taxpayer Bill of Rights. Some taxpayers have commented that they have made attempts to locate contact information or information relating to the procedures for requesting relief from DOR's website and have not been successful. I intend to explore the possibilities of having a link or icon which would take a taxpayer to an information screen which would give them information relating to requests for relief, contact information and sample forms.

## **DOR EDUCATION INITIATIVES**

### **I. Publications**

The Department updated the following publications:

Moving to South Carolina: A Tax Guide for New Residents  
Your Rights and Obligations as a South Carolina Taxpayer  
Business Tax Guide  
Starting a Small Business in SC  
DOR Annual Report  
Legislative Updates  
Tax Incentives for Economic Development  
Clemson Workshop Manual

In the upcoming year, the Department plans to update the following publications.

Homeowner's Guide to Property Taxes in S.C.  
Admission Tax  
Sales and Use Tax  
College Tuition Tax Credit  
A Tax Guide for South Carolina Military Personnel

The Department also has plans to revise “Revenews” next year in website format.

## **II. Taxpayer Education Projects**

The following projects were included in the 2004-2005 business plan to develop and provide educational opportunities to stakeholders and obtain feedback from these contacts.

- Maintain number and frequency of current taxpayer education seminars
- Expand educational opportunities for major taxes, including taxpayer education concerning the use of an automated electronic (via the web) registration program for state and local government entities, SCBOS
- Participate in development of on-line registration and payment system for taxpayer education
- Continue to develop a centralized mechanism for reporting all taxpayer education initiatives
- Develop a standardized evaluation process for taxpayer education feedback

The department has improved training of department personnel and taxpayer communication and education as evidenced by the following activities.

Our goal continues to be to increase the numbers of taxpayers we reach by developing relationships with various associations or organizations to assist with marketing. We invited the Internal Revenue Service to partner with us in the Construction Industry Seminar. A meeting was held with IRS personnel to brainstorm topics to be presented and to discuss possible partnerships with the Department of Labor, LLR, SC Manufacturing Alliance, Hospitality Association, Association of Nonprofit Organizations, the Social Security Administration and many counties such as Lexington, Richland, Calhoun & Dorchester.

Free monthly Sales Tax Forms Workshops and the Withholding Tax Forms Workshops were held. Response to these workshops was very positive and our taxpayer assistance officers reported that they have been a very positive factor in improving taxpayer relations. We had 71 participants in the Sales Tax Forms Workshops and 45 for the Withholding Tax Forms Workshops.

Instructors for the Small Business Tax Workshops which are presented around the state in conjunction with the IRS and the Employment Security Commission on a monthly basis were supplied. An average of three workshops were held each month.

A brochure was developed and mailed to general contractors and mechanical contractors. The Sales & Use Tax Seminar manual was revised. In addition to the partnerships already mentioned, we sponsored the Brownfields Remediation Seminar in association with the Realtors and Developers Association. This had 93 attendees.

We continued to provide agency personnel as presenters and to assist in resolving taxpayer problems onsite with the Clemson University Tax Schools. The Tax Schools were held in 6 locations around the state including Spartanburg, Columbia, Florence, Mt Pleasant, Clemson and North Charleston. We revised the SC DOR Clemson Tax School manual. For the 2004 year, a total of 916 accountants and other tax professionals attended the Clemson Tax Schools.

CPA focus group and an Attorney focus group were held to help identify their needs and to tie the benefits of using SCBOS to the needs of their respective groups.

Taxpayer education seminars included speakers from the Social Security Administration, US Department of Labor, SC Manufacturing Extension Partnership & Women's Business Center, Internal Revenue Service and Department of Commerce. We held multiple local tax workshops in the following counties: Lexington, Richland, Calhoun, and Dorchester. These workshops were held to inform the taxpayers of the new local tax that was implemented in their counties.

Free monthly sales tax forms workshops and the withholding tax forms workshops were held with extremely positive responses to these workshops.

We provided instructors to the IRS' coordinated Small Business Tax Workshops. Both the IRS and the Employment Security Commission also provided instructors for these workshops that were held monthly at various locations in the state. An average of three workshops were held per month.

### **III. Employee Education Projects**

In regards to employees of the agency our goal is to identify, coordinate, advertise and provide internal and external tax law training opportunities for employees based on business needs, on-the-job training needs and/or career development plan needs. Also, to identify, coordinate and advertise continuing education opportunities for employees who hold professional licenses based on their respective needs and to provide training in individual tax areas.

A major focus during the year was the training of employees for the 9/90 project. The 9/90 project was a special initiative outlined by the General Assembly to provide funding for state government. Training staff developed quick reference guides, e-learning modules and courses that were used in the instruction of new employees. The overall training plan included an overview of the DOR, tour, HR procedures and benefits, specialized systems training, basic law training and tax systems training. As far as law training provided, a general law session was held for all employees which included Taxpayer Bill of Rights, researching the SC Code, penalties and interest and an overview of the appeals process. An overview of the laws that pertain to Sales Tax, Withholding Tax, Individual Income Tax and Alcohol, Beverage & Licensing was included in their respective sessions for employees whose job duties dealt with these areas. As part of the overall training plan, employees received “desktime” and structured on-the-job training to reinforce their training learned in the classroom.

A pilot Sales & Use Law training class was held. This class offered a more in depth look at the Sales Tax laws and specific issues such as exemptions and exclusions, maximum tax, contractors, and manufacturers.

External tax law training was offered through Tax Talk Today web seminars offered by the IRS. Also, employees continued to attend external seminars for tax law training in the areas of Motor Fuel, Nexus, Abusive Tax Shelters, Tobacco Tax, and Corporate Tax.

A Business Tax Telefile session was held for new employees and for seasoned employees who needed to gain an understanding of this filing method and actually

“hear” the information that taxpayers heard when they accessed the system. State legislative updates were coordinated and scheduled for all of our employees.

Some of the other seminars and conferences attended by employees were MTC Nexus School, SC BAR: Beyond the Bar, SC Local Government Attorneys, and SC BAR-CLE Updating your Advocacy Skills.

Training staff were actively involved in Data Warehouse meetings and in the development of a training plan for the new Filing Enforcement Unit. We also continued to work with other work areas such as the Property Analysts in coordinating their continuing education training. The topics included House Construction, Design & Systems and Highest and Best Use. Future plans include a basic Property Tax course for identified employees. Other work areas assisted included our Motor Carrier Property Tax section in coordinating a class for employees on Motor Carrier Property Tax law.

A Tax Law Education Calendar was developed and sent to all employees. This calendar is a list of upcoming internal employee training sessions as well as external taxpayer education seminars that were offered. The calendar was published on our internal website, DRAGNET, for employees to access. The tax law education calendar became a part of our new Rev'n U, our learning portal for employees. Through Rev'n U, employees can view upcoming classes, register for the classes on line and print their own transcripts to monitor their training and continuing education credits.

#### **IV. News Releases**

Thirty-eight (38) news releases were issued by the Office of Public Affairs during fiscal year 2004-05.

#### **V. Advisory Opinions**

During the fiscal year July 1, 2004 through June 30, 2005, the department issued advisory opinions that have assisted in the education of all taxpayers or taxpayers in specific industries, the following table outlines these opinions:

**Department Advisory Opinions**  
**Fiscal Years July 1, 2004 – June 30, 2005**

**Revenue Rulings**

<a href="#">RR04-13</a>	Casual Excise Tax and Use Tax	Collection of Casual Excise Tax and Use Tax on Sale of Motor Vehicle, Motorcycle, Boat, Motor, Airplane, Trailer, etc.
<a href="#">RR04-14</a>	Property Tax	Property Exemption Under Code Section 12-37-220(C)
<a href="#">RR04-15</a>	Sales and Use Tax	Communications - Ways or Means for the Transmission of the Voice or Messages and Other Communications
<a href="#">RR05-1</a>	Sales & Use Tax	Fuel Surcharges by Retailers Delivering Tangible Personal Property
<a href="#">TRR05-2</a>	Income and Property Taxes	Federal Income Tax Conformity and Exceptions
<a href="#">RR05-2</a>	Income and Property Taxes	Federal Income Tax Conformity and Exceptions
<a href="#">RR05-3</a>	Sales & Use Tax	Aviation Gasoline
<a href="#">RR05-4</a>	Sales & Use Tax	Trailers, Semi trailers and Pole Trailers
<a href="#">RR05-5</a>	Income Tax	Job Tax Credit - Meaning of "Expansion"
<a href="#">RR05-6</a>	Sales Tax	Hurricane Insurance - Additional Guest Charge
<a href="#">RR05-7</a>	Sales & Use Tax	Motion Picture Production Company Exemption
<a href="#">RR05-8</a>	Deed Recording Fee	Deeds to Obtain Construction Loans
<a href="#">RR05-9</a>	Sales and Use Tax	Sales Tax Holiday - List
<a href="#">RR05-10</a>	Sales and Use Tax	Sales Tax Holiday - Q&A

**Revenue Procedures**

<a href="#">RP04-4</a>	ABC Laws	Penalty Guidelines for ABL Violations
<a href="#">RP04-5</a>	Property Tax	Procedure for Determining Depreciation for Electric Company Personal Property under Fee in Lieu of Property Tax Agreements
<a href="#">RP04-6</a>	Corporate Income Tax and Insurance Premium Tax	Tax Moratorium - Code Section 12-6-3365
<a href="#">RP05-1</a>	Sales & Use Tax	Governmental Wastewater Treatment Facilities Application for Exemption or Refund

**Private Letter Rulings**

<a href="#">PLR04-6</a>	Property Tax	Personal Property Leased to the Federal Government
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<a href="#">PLR05-1</a>	Sales and Use Tax	Radioactive Implant Seeds
<a href="#">PLR05-2</a>	Sales and Use Tax	Charges for Copies of Medical Records

### **Information Letters**

<a href="#">IL04-15</a>	Property Tax	Reorganized Property Tax Regulations
<a href="#">IL04-16</a>	All Taxes	Citator of SC Advisory Opinions
<a href="#">IL04-17</a>	All Taxes	Advisory Opinion Index
<a href="#">IL04-18</a>	Income Tax	Tax Relief to Tropical Storm Bonnie and Hurricane Charley Victims
<a href="#">IL04-19</a>	All Taxes	Interest Rate (October 1, 2004 - December 31, 2004)
<a href="#">IL04-20</a>	All Taxes	Tax Legislative Update for 2004
<a href="#">IL04-21</a>	Income Tax	Tax Relief to Hurricane Frances, Tropical Storm Bonnie, and Hurricane Charley Victims, and Tropical Storm Gaston Victims - New and Additional Relief
<a href="#">IL04-22</a>	All Taxes	Citator of SC Advisory Opinions
<a href="#">IL04-23</a>	All Taxes	Advisory Opinion Index
<a href="#">IL04-24</a>	Income Tax	Tax Relief to Hurricane Jeanne Victims and Other Disaster Area Tax Relief Granted During the 2004 Hurricane Season
<a href="#">IL04-25</a>	Income Tax	Per Capita Income Figures for the State of South Carolina
<a href="#">IL04-26</a>	All Taxes	Interest Rate
<a href="#">IL04-27</a>	Sales and Use Tax	Internet Access/Electronic Commerce Moratorium
<a href="#">IL05-1</a>	Sales and Use Tax	Exemptions - Local Sales and Use Taxes Collected by Department of Revenue
<a href="#">IL05-2</a>	Income Tax	Tax Relief to Persons Affected by the Chlorine Leak in Graniteville
<a href="#">IL05-3</a>	Income Tax and Property Tax	Job Tax Credit - County Rankings for 2005 Tax Moratorium - Qualifying Counties Fee in Lieu of Property Taxes - Reduced Investment Counties
<a href="#">IL05-4</a>	All Taxes	Citator of SC Advisory Opinions
<a href="#">IL05-5</a>	All Taxes	Advisory Opinion Index
<a href="#">IL05-6</a>	All Taxes	Legislative Summary Update for 2004
<a href="#">IL05-7</a>	Property Tax	Tax Relief to Persons Affected by the Chlorine Leak in Graniteville
<a href="#">IL05-8</a>	Property Tax	Consumer Price Index for Millage Calculation
<a href="#">IL05-9</a>	Income Tax	Interest Rate
<a href="#">IL05-10</a>	All Taxes	Citator of SC Advisory Opinions
<a href="#">IL05-11</a>	All Taxes	Advisory Opinion Index
<a href="#">IL05-12</a>	Income Taxes	Per Capita Income Figures for the State of SC
<a href="#">IL05-13</a>	Sales Tax	Sale of a Motor Vehicle, Trailer, Semi trailer, and Pole Trailers to a Nonresident
<a href="#">IL05-14</a>	Income Tax	Per Capita Income Figures for Counties
<a href="#">IL05-15</a>	Sales and Use Tax	Exemptions-Local Sales and Use Taxes Collected by the DOR
<a href="#">IL05-16</a>	Alcoholic Beverage Licensing	Recognized Training Programs

<a href="#">IL05-17</a>	All Taxes	Interest Rate
<a href="#">IL05-18</a>	Sales and Use Tax	Sales Tax Holiday

Advisory opinions are approved by the director and are binding on department employees; however, they do not have the force or effect of law and are not binding on the public. They are intended to provide the public with guidance as to the department’s administrative position so members of the public will not be surprised by its opinion and to ensure that the department’s position is the same from office to office and employee to employee. Advisory opinions are published on the department’s website ([www.sctax.org](http://www.sctax.org)) under “Tax Policy.”

The department issued other advisory opinions that may be of assistance to taxpayers; but since they were issued to specific taxpayers (Private Letter Rulings), they are not listed here. In addition, the department publishes several information letters throughout the year that updated taxpayers on the interest rate for overpayments and underpayments, county rankings for the job tax credit, local sales and taxes, the sales tax holiday, etc.)

## **LEGISLATIVE CHANGES**

The following table outlines the department’s recommended legislative changes that were approved by the General Assembly and will improve taxpayer compliance:

### **2005 LEGISLATIVE IMPLEMENTATION TABLE**

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Budget Part IB</b>			
<b>Section 1A.34</b>	Reimbursement for teacher supplies increased to \$250		7/1/05
<b>8.36</b>	State agencies must provide information on AIDS prevention if requested		7/1/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>27.28</b>	Companies have option of using prior year's benefits for JDC		7/1/05
<b>36A.8</b>	Paid tax receipt must be provided when transferring a tag for the second time		1/1/06
<b>37.22</b>	Commerce must work with Corrections on marketing plan for employment of inmates		7/1/05
<b>42A.2</b>	Guidelines for Office of Regulatory Staff to provide assessments		7/1/05
<b>63.17</b>	Board may carry forward funds for local governments		7/1/05
<b>63.29</b>	Deletion of family sick leave provision		7/1/05
<b>63.42</b>	Competitive grants program		7/1/05
<b>63.49</b>	Grants Review Committee created to award grants to local governments		7/1/05
<b>64.20</b>	Deletion of Police Corps Scholarship income tax exemption		7/1/05
<b>64.21</b>	Depositing of funds from the RIF to the Rural Infrastructure Bank Trust Fund		7/1/05
<b>69A.2</b>	Amounts deducted from income and corporate taxes for property tax relief cannot exceed prior year's amount		7/1/05
<b>72.51</b>	Deletion of federal matching fund report		7/1/05
<b>72.57</b>	Suspension of Section 12-37-2735		7/1/05
<b>72.102</b>	Agencies may pay bonuses of up to \$2,000		7/1/05
<b>72.106</b>	Effective date of sales tax exemption for respiratory syncytial virus drugs is January 1, 1999		7/1/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>72.117</b>	Agencies must submit audited financial statements by October 15		10/1/05
<b>73.13</b>	Conformity provision		7/1/05
<b>73.17</b>	Burnie money		7/1/05
<b>Bills</b>			
<b>3767</b>			
<b>Section 1</b>	Signing of returns electronically by tax preparers	12-2-75	6/9/05
<b>Section 2</b>	Obsolete language about Tax Commissioners deleted	12-4-30	6/9/05
<b>Section 3</b>	Property division responsibilities	12-4-540	6/9/05
<b>Section 4</b>	Cross reference correction on small amount provision	12-6-50	6/9/05
<b>Section 5</b>	Original owners of retirement accounts eligible for retirement deduction	12-6-1170	6/9/05
<b>Section 6</b>	Nonresidents subject to tax on lottery or bingo winnings	12-6-1720	6/9/05
<b>Section 7</b>	Cross reference correction	12-6-3360	6/9/05
<b>Section 8</b>	Cross reference correction	12-6-3570	6/9/05
<b>Section 9</b>	Date of application for JDC benefits determines county designation	12-10-80	6/9/05
<b>Section 10</b>	Clarifies small amount provision is one hundred dollars	12-54-55	6/9/05
<b>Section 11</b>	Cross reference correction	12-54-70	6/9/05
<b>Section 12</b>	ALJs inserted for circuit judge in cases of refusals of summons	12-54-110	6/9/05
<b>Section 13</b>	Department may censure or assess monetary penalty in addition to disbarment	12-60-90	6/9/05
<b>Section 14</b>	Clarification on federal tax obligations meaning	12-60-90	6/9/05
<b>Section 15</b>	No delay of refunds in cases of audits Repeal of Section 12-58-170	12-58-190	6/9/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 16</b>	Taxpayer asserting value for property tax purposes 50% less than true value	12-54-43	Tax years beginning after 12/31/05
<b>Section 17</b>	Clarification on the Textile Revitalization Credit	6-32-40	6/9/05
<b>Section 18</b>	Guidelines on filing of frivolous liens	30-9-30	6/9/05
<b>Section 19</b>	Provisions on warranties	12-36-90	10/1/05
<b>Section 20</b>	Tax return preparers preparing at least one hundred returns must file them electronically	12-54-250	Tax years beginning on or after 1/1/07
<b>Section 21</b>	Codifying of checkoffs in one section – Repeal of old sections – New checkoff for conservation bank	12-6-5060	6/9/05
<b>Section 22</b>	Deductions for accruals of expenses	12-6-1130	Tax years beginning after 2005
<b>Section 23</b>	ABL issues related to wholesaler licenses, checking for federal debts and other clarifications	61-2-136 Other Title 61 changes	9/1/05 6/9/05
<b>Section 24</b>	Suspension of drivers license for failure to comply with motor carrier statutes	12-37-2890	6/9/05
<b>Section 25</b>	Clarification on imposition of motor fuel tax	12-28-310	6/9/05
<b>Section 26</b>	Provides new procedure for checks returned to the department	12-54-270 Title 27 changes	6/9/05
<b>Section 27</b>	Penalty related to falsifying information on withholding certificates	12-54-46	6/9/05
<b>Section 28</b>	Clarifies that local sales taxes are eligible for discounts	12-36-2610	6/9/05
<b>Section 29</b>	Fire safety education trailers are eligible for the sales tax cap	12-36-2110	6/9/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 30</b>	Sourcing of telecommunications	12-36-1910	6/9/05
<b>Section 31</b>	Postponement of reassessment program by ordinance if conducted after 2000		6/9/05
<b>Section 32</b>	Additional bump for jobs tax credit purposes if a company loses 1,500 jobs in one year	12-6-3360	Tax years beginning after 12/31/04
<b>Section 33</b>	Corporate tax moratorium provision	12-6-3365	6/9/05
<b>Section 34</b>	Rural Infrastructure grants made available to municipalities	12-10-85	6/9/05
<b>Section 35</b>	Clarifies property tax exemption for public benefit corporations used for economic development purposes	12-37-220	6/9/05
<b>Section 36</b>	Provides for property tax exemption for property leased to volunteer fire departments or rescue squads	12-37-220	Property tax years beginning after 6/30/05
<b>Section 37</b>	UCC language covering frivolous lawsuits (Debbie's Law)	36-9-501	6/9/05
<b>Section 38</b>	Property tax exemption for certain diseases causing paralysis	12-37-220	6/9/05
<b>Section 39</b>	Quality credit	12-6-3580	6/9/05
<b>Section 40</b>	Fee qualification clarifications	12-44-30 4-12-30 4-29-67	6/9/05
<b>Section 41</b>	Milk credit	12-6-3580	Taxable years beginning after 2004
<b>Section 42</b>	Waiver of penalty by county treasurers	12-45-185	Property taxes due for tax years beginning after 2004

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 43</b>	Tax credit for health insurance premiums	12-6-3575	Tax years beginning after 2004
<b>3768</b>			
<b>Section 1</b>	Sales tax exemption for promotional materials distributed by nonprofit chambers	12-36-2120	Tax years beginning after 2005 but no refunds are allowed
<b>Section 2</b>	Information used to track motor fuel collections	12-28-1400	6/7/05
<b>Section 3</b>	Holders of property not personally liable for any liabilities	12-54-123	7/1/05
<b>Section 4</b>	Collection assistance fee	12-55-10	6/7/05
<b>Section 5</b>	Sale of wine by licensed wineries	61-4-725	7/1/05
<b>Section 6</b>	Procedure to compute CPI for millage increase purposes	6-1-320	6/7/05
<b>Section 7</b>	Conformity	12-6-40	6/7/05
<b>Section 8</b>	Conformity	12-6-50	6/7/05
<b>Section 9</b>	Conformity	12-6-1110	6/7/05
<b>Section 10</b>	Conformity	12-6-1130	6/7/05
<b>Section 11</b>	Deletion of obsolete provision	12-6-1140	6/7/05
<b>Section 12</b>	Dividends not connected to taxpayer's business allocated	12-6-2220	Tax years beginning after 2004
<b>Section 13</b>	Jobs tax credit bankruptcy provision	12-6-3360	6/7/05
<b>Section 14</b>	Clarification on corporate tax moratorium related to insurance premium taxes	12-6-3365	6/7/05
<b>Section 15</b>	Use of credits with consolidated returns	12-6-3480	Taxable years after 2004
<b>Section 16</b>	Nonresident threshold increased for filing requirement	12-6-4910	Taxable years beginning after 2005
<b>Section 17</b>	Tax credits determined on a consolidated basis	12-6-5020	Taxable years beginning after 2004

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 18</b>	Guidelines for filing of composite returns	12-6-5030	Taxable years beginning after 2004
<b>Section 19</b>	Guidelines for withholding	12-8-520	Taxable years beginning after 2005
<b>Section 20</b>	Allows flexibility with withholding requirements	12-8-1520(A) 12-8-1520(B)	7/1/05 Payments due after 1/1/06
<b>Section 21</b>	Guidelines on fees for JDC agreements and retraining agreements	12-10-105	6/7/05 Fee is due when credits exceed \$10,000
<b>Section 22</b>	Cross reference correction	12-20-105	Taxable years beginning after 2004
<b>Section 23</b>	Changes shall to may promulgate regulations	12-21-1090	6/7/05
<b>Section 24</b>	Guidelines on tourism infrastructure credit regarding applications	12-21-6550	7/1/05
<b>Section 25</b>	Clarification on motor fuel refunds for government use	12-28-1730	6/7/05
<b>Section 26</b>	Codifies penalties from federal code section in motor fuel statute	12-28-1730	6/7/05
<b>Section 27</b>	Deletion of duplicate language related to sales tax licenses	12-36-530	6/7/05
<b>Section 28</b>	Application of prepaid calling arrangements language to use tax	12-36-1310	6/7/05
<b>Section 29</b>	Sales tax exemption for drugs distributed by free clinics codified	12-36-2120	6/7/05
<b>Section 30</b>	Guidelines on sales tax exemption certificates	12-36-2510	10/1/05
<b>Section 31</b>	Deletion of obsolete language in property tax exemption statutes	12-37-220	6/7/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 32</b>	Changes employer to person for withholding penalty purposes	12-54-42	7/1/05
<b>Section 33</b>	Provides a penalty for groundless or frivolous positions Provides a penalty against purchasers who knowingly use a resale certificate in error	12-54-43	10/1/05 7/1/05
<b>Section 34</b>	Makes consistent language for revoking a license with revenue procedures act	12-54-90	6/7/05
<b>Section 35</b>	Expands general penalty for any information related to taxes administered by the department	12-54-210	6/7/05
<b>Section 36</b>	Updates language, clarifies property disclosure and eliminates federal subpoenas from disclosure	12-54-240	6/7/05
<b>Section 37</b>	Clarifies installment payment agreements	12-58-185	6/7/05
<b>Section 38</b>	Clarifies that local taxes administered by the department are included in the revenue procedures act	12-60-420	1/1/05
<b>Section 39</b>	Clarifies what debts are applied against refunds	12-60-490	6/7/05
<b>Section 40</b>	Changes due date of out of state shippers returns	61-4-747	Reports due after 2005
<b>Section 41</b>	Inserts language previously deleted concerning shareholder liabilities during dissolutions	33-14-420	6/7/05 Applies to corporations dissolved before or after effective date
<b>Section 42</b>	Priority of passage language related to conformity		6/7/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 43</b>	Conservation easement language related to conformity	12-6-1130 12-6-3515 12-43-232 12-6-5590	6/7/05
<b>Section 44</b>	Clarification of qualification for fee-in-lieu	12-44-30 4-12-30 4-29-67	6/7/05
<b>Section 45</b>	County business registration fee of \$15	12-37-135	6/7/05
<b>Section 46</b>	County treasurer tax receipts	12-45-430	6/7/05
<b>Section 47</b>	Tax receipts on motor vehicles	12-37-2650	6/7/05
<b>Section 48</b>	Enforcement of personal property taxes	12-37-2730	6/7/05
<b>Section 49</b>	Four percent assessment guidelines	12-43-220	6/7/05
<b>Section 50</b>	Delinquent tax sales	12-49-950	6/7/05
<b>Section 51</b>	Delinquent tax sales includes taxes owed to special taxing districts	12-51-55	6/7/05
<b>Section 52</b>	Cost of tax titles included in redemption costs	12-51-130	6/7/05
<b>Section 53</b>	Interest on local government refunds	12-54-25	6/7/05
<b>Section 54</b>	Disclosure of information to local governments on returns filed	12-54-240	6/7/05
<b>Section 55</b>	Marinas must provide information for assessments	12-37-712	6/7/05
<b>Section 56</b>	Counties conducting a reassessment program after 2000 may by ordinance postpone implementation for an additional year		6/7/05
<b>Section 57</b>	Sales tax holiday includes linens	12-36-2120	6/7/05
<b>Section 58</b>	County treasurer may waive penalties	12-45-185	6/7/05
<b>Section 59</b>	Credit for health insurance premiums	12-6-3575	Taxable years beginning after 2004

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>Section 60</b>	Savings clause		6/7/05
<b>16</b>	Refundable income tax credit for farmers related to purchases for use of anhydrous ammonia	12-6-3582	Taxable years after 12/31/04
<b>18</b>	Guidelines for assessing of utilities	58-5-480	2/16/05
<b>19</b>	Ratification of constitutional amendment related to minibottles		3/17/05
<b>27</b>	Allow counties or municipalities to refund noncompliant expenditures rather than have amounts withheld	6-4-36	Accommodations allocations for fiscal years 2004 and 2005 Repealed effective June 30, 2006 Not yet enacted
<b>97</b>	Guidelines on tax increment financing	Title 31 changes	6/2/05
<b>140</b>	Extend rehabilitation credit to license taxes – Assessor must use reassessment values in valuing residential property	12-6-3535 12-43-215	Tax periods beginning after 2004
<b>165</b>	Free pour guidelines	Title 61 12-33-245	1/1/06 New delivery procedures 7/1/05
<b>207</b>	Property tax exemption for property used by the Boy or Girl Scouts	12-37-220	Property tax years beginning after 2001
<b>319</b>	Guidelines for documents depository with electronic formats	60-2-10	3/22/05
<b>339</b>	Taxes on beer and wine in Article 9, Chapter 21 of Title 12 are in lieu of any other taxes or licenses	12-21-1085	3/23/05
<b>426</b>	Clarifies in Clarendon County School District Tax that food is subject to the tax		3/24/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>427</b>	Proposed constitutional amendment to allow General Assembly to recede for a period of time		
<b>506</b>	County governing body may allow purchase of fidelity bond to cover county officials	4-11-65	5/16/05
<b>573</b>	Removal of obsolete language referencing the DOR Commission	1-3-240	
<b>583</b>	Joint resolution providing for a new effective date for legislation allowing for property tax exemption for Boy Scouts		3/22/05
<b>589</b>	Value of personal property and income derived from them not to be included in valuation of golf courses during reassessments	12-43-365	Reassessment programs implemented after 2005
<b>618</b>	Retirement system provisions	Title 8 Title 9	Various
<b>814</b>	Corporate moratorium provisions allowing for investments in two counties Fee qualifications	12-6-3365 12-44-30 4-12-30 4-29-67	5/23/05
<b>854</b>	Adds Jasper County to list of counties which have a register of deeds and a clerk of court	30-5-10	6/7/05
<b>896</b>	Guidelines concerning Orangeburg County School Districts and distribution of millages		6/7/05
<b>3006</b>	Reduction in number of jobs needed to qualify for jobs tax credit Nexus guidelines	12-6-3360  12-6-60 12-36-2690	Taxable years beginning in 2006 Repealed for tax years beginning in 2011
<b>3007</b>	Reduction in income tax rate for small businesses	12-6-545	Taxable years beginning in 2006

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>3008</b>	Certificate of occupancy shall constitute completion of the improvement Legal provisions	15-3-640 Other Title 15 changes	3/21/05
<b>3067</b>	Investment tax credit carry forward period extended for certain taxpayers	12-14-60	Credits earned in taxable years beginning after 1996
<b>3152</b>	Motion Picture Incentive Act	Chapter 62 of Title 12	Taxable years beginning 7/1/04 Sections 12-62-50(A)(1) and 12-62-60(A)(1) are effective 7/1/05
<b>3234</b>	State funding of air carrier hub facilities	55-11-500	4/5/05
<b>3257</b>	Retired or discharged armed services personnel may invalidate filing with clerk of court	30-15-15	5/3/05
<b>3296</b>	Fee transfers to DOT	12-28-1555	6/14/05
<b>3297</b>	Includes rheumatoid arthritis drugs in sales tax exemption	12-36-2120	7/1/05
<b>3305</b>	Governing body of county may allow for payment of real property taxes by monthly installments	12-45-75	6/7/05
<b>3325</b>	Foreign brewer includes its successor or assignee for purposes of agreements with importers	61-4-1115	6/7/05
<b>3694</b>	Gambling Cruise Prohibition Act	3-11-100	6/1/05
<b>3730</b>	Manufactured home guidelines upon retiring of title certificates	56-19-560	6/7/05
<b>3782</b>	Portion of Little Pee Dee River designated as scenic river	49-29-230	5/3/05

<b>Bill &amp; Section Number</b>	<b>Brief Summary</b>	<b>Code Section</b>	<b>Effective Date</b>
<b>3799</b>	Special account established for agency's nonrecurring expenses of enterprise information system		6/9/05
<b>3847</b>	Accounting guidelines for surplus revenue Funds received from sales of materials	11-11-350 12-36-3120	6/10/05
<b>3885</b>	Credits for taxpayers using State Ports Authority	12-6-3375	6/3/05
<b>3905</b>	Sales tax exemption for sweetgrass baskets	12-36-2120	6/10/05
<b>3932</b>	Guidelines on funding of economic development projects	11-41-30	6/2/05
<b>4035</b>	Venture Capital Investment Act	11-45-10	6/3/05
<b>4077</b>	Dillon County millage increase		6/2/05
<b>4086</b>	Dillon County School sales tax		Upon favorable referendum vote
<b>4189</b>	Marlboro County School sales tax		Upon favorable referendum vote

## **REGULATION CHANGES**

**Document # 2906** – Repealed several regulations related to video poker machines that are no longer applicable.

**Document # 2907** – Replaced language that was inadvertently deleted from a prior regulation disallowing the selling or delivery of beer and wine to anyone who remains in a motor vehicle during the transaction.