

H. 4887 — Annual Tax Bill

Section 1: Applies certain IRS code sections regarding tax preparers to Title 12.

Section 2: Amends Section 4-9-195, which authorizes the grant of special property tax assessments to rehabilitated historic property or low and moderate income rental property.

Section 3: Amends §11-35-5230(B), which grants income tax credits for firms with state contracts that subcontract with minority firms.

Section 4: Amends §11-45-55 to allow the interdepartmental exchange of information dealing with tax credits authorized pursuant to the Venture Capital Investment Act.

Section 5: Amends §12-2-20 to add “a combination acting as a unit” to the definition of “person” for the purposes of Title 12.

Section 6: Amends §12-6-590 to state that if a federal income tax is imposed on certain capital gains (IRS Code Section 1374) or passive investment income (IRS Code Section 1375), South Carolina will impose a similar tax using the 5 percent corporate income tax rate.

Section 7: Changes the word “allocated” to “apportioned” in Section 12-6-2250(B).

Section 8: Amends §12-6-3360, which deals with the Jobs Tax Credit.

Section 9: Amends §12-6-3376 regarding tax credits for the purchase of a plug-in hybrid vehicle.

Section 10: Amends §12-6-3377 regarding tax credits for buying a fuel cell, lean burn, or hybrid motor vehicle.

Section 11: Amends §12-6-3535 to clarify that a taxpayer who is allowed a federal income tax credit for making qualified rehabilitation expenditures for a certified historic structure located in this state is allowed to claim a credit against state corporate license fees in addition to their income taxes.

Section 12: Amends §12-6-3585 to clarify that a taxpayer with a bank tax liability may utilize the Industry Partnership Fund tax credit.

Section 13: Amends §12-6-3587, which grants a tax credit for the costs incurred in the purchase and installation of a solar energy system.

Section 14: Amends §12-6-3630 to allow the tax credit for hydrogen research contributions to apply to bank taxes.

Section 15: In Section §12-5-5060 (contribution check-offs on income tax forms) changes the name of “the Gift of Life Trust Fund” to “Donate Life.”

Section 16: Amends §12-8-1530 regarding the withholding of income.

Section 17: Amends §12-10-80(6) (Job Development Credit) regarding the overpayment of withholding.

Section 18: Amends §12-20-100(A)(1) to delete any requirement that DOR determine the fair market value of property owned and used within the state when determining the license tax on utilities and electric cooperatives.

Section 19: Amends § 12-20-105 to expand the license tax credit for companies subject to a license tax for utilities and electric cooperatives, when they pay cash to provide infrastructure for an eligible project. Also deletes authorization allowing a political subdivision to sell the industrial shell building or industrial park, after the company has paid in cash to provide the infrastructure for an eligible project.

Section 20: Deletes from the 5 percent sales tax imposed by §12-36-910(B) the gross proceeds from the sale of a warranty, maintenance or service contract for tangible property.

Section 21: Deals with notification to DOR to qualify for a sales tax exemption for construction materials used in the construction of a new or expanded single manufacturing or distribution facility with a capital investment of at least \$100 million in real and personal property.

Section 22: Amends the sales tax exemption for sales of currency.

Section 23: Deletes the requirement that in order to receive a sales tax exemption for the sale of durable medical equipment or supplies, the equipment must be sold by a provider who holds a S.C. Retail Sales License and whose principal place of business must be in South Carolina.

Section 24: Deletes any authorization in §12-37-90(h) which would allow DOR to alter the values set by the assessor.

Section 25: Modernizes the grammar choice for §12-37-220(B)(23).

Section 26: Amends the definition of “full-time” for the purposes of the five-year county property tax moratorium on new corporate facilities.

Section 27: Amends a code section cite for the definition of sponsor in the simplified fee statute. This section and Section 50 amend the same code section (§12-44-30(18)) and are very similar, but not identical.

Section 28: States that if a taxpayer lacked a valid business purpose as defined in Chapter 2 of Title 12 for an item on the return, taxes may be assessed at any time within 72 months from the date the return was filed.

Section 29: Regards penalties involved when a contractor fails to terminate an employee who divulges information in a return.

Section 30: Amends §12-54-240(B)(28) to allow the interdepartmental exchange of information dealing with tax credits authorized pursuant to the Venture Capital Investment Act.

Section 31: Amends sections dealing with procedures for making tax payments to the state.

Section 32: Makes a grammatical change in §12-60-20.

Section 33: Section 12-60-510(A)(2) states that if a taxpayer fails to file a protest with the department within 90 days of the date of the proposed assessment, the taxpayer is in default and the department must issue an assessment for the taxes. This amendment deletes the ability for the ALJ to remand and remove an assessment for good cause shown.

Section 34: Makes changes regarding the sales tax rebate for eco-friendly vehicle purchases and incentive payments for alternative fuel purchases.

Section 35: Changes a code cite regarding the administrative fee to be paid to DOR in §44-43-1360 (Administration of the Donate Life Fund).

Section 36: Changes from the Department of Revenue to the Department of Agriculture the agency in charge of prescribing forms, procedures, issuing policy documents and distributing funds regarding the South Carolina Renewable Energy Infrastructure Development Fund.

Section 37: Enacts the “South Carolina Textiles Communities Revitalization Act.”

Section 38: Enacts the “South Carolina Retail Facility Revitalization Act.”

Section 39: Enacts the “South Carolina Motion Picture Incentive Act of 2008.”

Section 40: Creates a five-year exemption starting July 1, 2008 from the admissions tax imposed pursuant to §12-21-2420 for admissions to a motorsports complex.

Section 41: Amends §4-12-30 (the “little fee”), §4-29-67 (the “big fee”) and Chapter 44, Title 12 (the “simplified fee”). Also expands the definition of corporation in Section 12-6-3410(J)(9). These are SCAC policy positions.

Section 42: Deals with tax credits for ethanol facilities.

Section 43: Amends §12-14-80 regarding investment tax credits for placing into service qualified manufacturing and productive equipment.

Section 44: Deals with fuels subject to motor fuel user fees and the suppliers of motor fuels.

Section 45: Allows the forfeited land commission to refuse to accept title to land, if it is against the public interest; exempts from property taxes mobile homes with a fair market value of less than \$2500; states that a boat must be present in South Carolina 180 consecutive days or 270 aggregate days to be taxable at its full value; allows the auditor to accept the Form 5051 in lieu of the license plate and the registration certificate to issue a tax; amends §12-39-220 to reflect that the assessor and not the auditor charges real property to the duplicate; allows a tax sale to be held on any advertised day; increases the penalty for a defaulting bid at a tax sale; and allows taxes to be assessed at any time within 72 months from the date the taxes would have been due, if property has been omitted from the tax duplicate. Except for the boat situs change, these are SCAC policy positions.

Section 46: Amends the definition of “Bona fide engaged primarily and substantially in the preparation and serving of meals” for the Alcoholic Beverage Control Act.

Section 47: Updates the applicable IRS code references to the 2007 Code.

Section 48: States that South Carolina Gross Income does not include Tier III Railroad Retirement benefits.

Section 49: Allows for the reimbursement of expenses for a transporter of motor fuel to comply with DOR electronic reporting requirements.

Section 50: Amends a code section cite for the definition of sponsor in the simplified fee statute. This section and Section 27 amend the same code section (§12-44-30(18)) and are very similar, but not identical.

Section 51: Adds §12-47-17 to require tax collectors to receive 18 hours of continuing education.

Section 52: Allows DOR to extend the time for filing a return to the extended time period allowed to file the taxpayer’s corresponding federal return.

Section 53: Unless stated, the bill does not effect pending actions, rights, duties or liabilities.

Section 54: This is the severability clause.

Section 55: Unless otherwise stated, the effective date is upon approval of the Governor.