

Statement of Estimated State Revenue Impact

Date: February 5, 2013
Bill Number: S.B. 15
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Committee Requesting Impact: Senate Finance Committee

Bill Summary

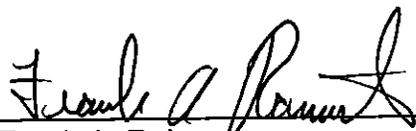
A bill to amend the Code of Laws of South Carolina, 1976, by enacting the "Taxpayer Fairness Act" by adding Section 12-4-397 to provide the manner in which the South Carolina Department of Revenue must interpret tax statutes of this state, to provide that terms in the tax statutes of this state may not 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".

REVENUE IMPACT ¹¹

This bill is not expected to affect General Fund tax revenue in FY2013-14.

Explanation

This bill contains language that was first introduced in Proviso 90.21 in the FY2011-12 Appropriation Act. The proviso was not included in the FY2012-13 Appropriation Act. This bill would add Section 12-4-397 to create the "Taxpayer Fairness Act" to require the Department of Revenue to interpret the tax statutes of this State based on the plain meaning of the statute's text and based on the legislative intent of the statute. The terms contained in the statutes must not be given broader meaning in policy documents or regulations by the Department of Revenue beyond the plain meaning of the statute. This bill would also require the Department of Revenue to report at least two times per year any ambiguity in the interpretation of a revenue statute 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. Tax disputes and issues of compliance with the tax statutes occur every tax year. The Department of Revenue has advised the BEA, that the language contained in this bill would not inhibit the Department of Revenue's ability to collect tax revenue in FY2013-14. This act takes effect upon approval by the Governor.



Frank A. Rainwater
Chief Economist

Analyst: Martin

¹¹ 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 of Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.