



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**

**STATEMENT OF ESTIMATED FISCAL IMPACT**

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Bill Number: S. 0526 As signed by the Governor on June 8, 2015  
 Author: Leatherman  
 Requestor: Senate Finance  
 Date: June 11, 2015  
 Subject: Tax Amnesty  
 RFA Analyst(s): Shuford and Shealy

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**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds since all revenue collection processes and procedures at the Department of Revenue are currently in place.

Given the permissive nature of this legislation as to when an amnesty program may be implemented, if at all, we do not estimate any appreciable increase in revenue from the enactment of this bill. If an amnesty period is announced, the revenue impact will depend upon the details and conditions existing at that time.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill adds Section 12-4-397 to allow the Department of Revenue (DOR) to designate an amnesty period from time to time as determined by DOR. DOR may waive a portion or all penalties and interest for taxpayers who voluntarily file delinquent returns and pay all taxes owed. DOR must inform the General Assembly at least 60 days before the commencement of the amnesty period. DOR must be reimbursed five percent of the amounts collected through amnesty for administrative costs. Overdue tax debt, defined as tax debt that remains unpaid one hundred twenty days or more after a notice of assessment has been issued by DOR, may be subject to an additional ten percent collection assistance fee. The current collection assistance fee pursuant to Section 12-55-60 is twenty percent of the overdue tax.

This bill would have no expenditure impact on the General Fund, Federal Funds, or Other Funds since all revenue collection processes and procedures at the Department of Revenue are currently in place.

**State Revenue**

Given the permissive nature of this legislation as to when an amnesty program may be implemented, if at all, we do not estimate any appreciable increase in revenue from the enactment of this bill. If an amnesty period is announced, the estimated revenue impact will be based upon the details and conditions at that time. These details include the type of tax revenue affected and the impact the amnesty program has upon regular enforcement activity and collections for that fiscal year. The timing of an amnesty program will significantly impact revenue due to the cyclical nature of tax collections. Adjustments for potential increased revenue collections in one year may need to be offset with a potential decrease in the next year. Offsets for increased DOR administrative cost reimbursements and additional collection assistance fees will also require analysis. Currently, insufficient data exists to provide a concise estimate.

**Local Expenditure**

N/A

**Local Revenue**

N/A

  
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Frank A. Rainwater, Executive Director