

ECONOMIC DEVELOPMENT, TRANSPORTATION, AND NATURAL RESOURCES SUBCOMMITTEE MEETING

Tuesday, July 10, 2018

Contents

Agenda	3
Minutes from Previous Meeting	4
Study Timeline: S.C. Department of Revenue	6
SCDOR Strategic Plan	7
SCDOR Organizational Structure	11
Figure 1. SCDOR divisions, as provided by SCDOR on June 15, 2018.	11
Table 2. SCDOR organizational units, as reported by the agency in its PER.	12
Government Services Division	13
Deputy Director	13
Number of Employees	13
Related Goals	13
Related Deliverables	13
Table 3. Applicable laws for the Government Services Division’s deliverables, as provided by SCDOR in its PER (emphasis added).	14
Related Performance Measures	23
Table 4. Performance Measures for the Government Services Division, as reported by SCDOR in its PER.	23
Taxpayer and Business Services Division	24
Deputy Director	24
Number of Employees	24
Related Goals	24
Related Deliverables	24
Table 5. Applicable laws for the Taxpayer and Business Services Division’s deliverables, as provided by SCDOR in its PER (emphasis added).	25
Related Performance Measures	35
Table 6. Performance Measures for the Taxpayer and Business Services Division, as reported by SCDOR in its PER.	35
Related Law Recommendations	37
Security and IT Services Division	43
Deputy Director	43

Number of Employees	43
Related Goal	43
Related Deliverables	43
Table 7. Applicable laws for the Security and Information Technology Services Division’s deliverables, as provided by SCDOR in its PER (emphasis added).....	43
Related Performance Measures	44
Table 8. Performance Measures for the Security and Information Technology Services Division, as reported by SCDOR in its PER.	44
Litigation and Appeals Division.....	45
Deputy Director	45
Number of Employees	45
Related Goals.....	45
Related Deliverables	45
Table 9. Applicable laws for the Litigation and Appeals Division’s deliverables, as provided by SCDOR in its PER (emphasis added).	45
Related Performance Measures.....	46
Committee Contact Information	47

AGENDA

South Carolina House of Representatives



Legislative Oversight Committee

ECONOMIC DEVELOPMENT, TRANSPORTATION, AND NATURAL RESOURCES SUBCOMMITTEE

The Honorable Bruce W. Bannister, Chair

The Honorable Neal A. Collins

The Honorable Mandy Powers Norrell

The Honorable Robert L. Ridgeway III

Tuesday, July 10, 2018

10:00 a.m.

321 - Blatt Building

Pursuant to Committee Rule 6.8, S.C. ETV shall be allowed access for internet streaming whenever technologically feasible.

AGENDA

- I. Approval of Minutes
- II. Discussion of the study of the Department of Revenue
- III. Adjournment

MINUTES FROM PREVIOUS MEETING

Chair Wm. Weston J. Newton

*First Vice-Chair:
Laurie Slade Funderburk*

Legislative Oversight Committee

*Katherine E. (Katie) Arrington
William K. (Bill) Bowers
Neal A. Collins
MaryGail K. Douglas
William M. (Bill) Hixon
Jeffrey E. (Jeff) Johnson
Robert L. Ridgeway, III
Bill Taylor
John Taliaferro (Jay) West, IV*



*Bruce W. Bannister
Gary E. Clary
Chandra E. Dillard
Phyllis J. Henderson
Joseph H. Jefferson, Jr.
Mandy Powers Norrell
Tommy M. Stringer
Edward R. Tallon, Sr.
Robert Q. Williams*

South Carolina House of Representatives

*Jennifer L. Dobson
Research Director*

*Cathy A. Greer
Administration Coordinator*

**Post Office Box 11867
Columbia, South Carolina 29211
Telephone: (803) 212-6810 • Fax: (803) 212-6811
Room 228 Blatt Building**

*Charles L. Appleby, IV
Legal Counsel*

*Carmen J. McCutcheon Simon
Research Analyst/Auditor*

*Kendra H. Wilkerson
Fiscal/Research Analyst*

Economic Development, Transportation, and Natural Resources Subcommittee

Monday, June 18, 2018

1:30 p.m.

Blatt Room 108

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

Attendance

- I. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chair Bruce W. Bannister on Monday, June 18, 2018, in Room 108 of the Blatt Building. The following other members of the Subcommittee were present for either all or a portion of the meeting: Representative Mandy Powers Norrell and Representative Robert L. Ridgeway III.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings. It is the practice of the Legislative Oversight Committee to provide minutes for its subcommittee meetings.

- II. Representative Ridgeway makes a motion to approve the minutes from the April 11, 2018, meeting. A roll call vote is held, and the motion passes.

Rep. Ridgeway's motion to approve the minutes from the April 11, 2018, meeting:	Yea	Nay	Not Voting
Rep. Collins			✓ (absent)
Rep. Norrell	✓		
Rep. Ridgeway	✓		
Rep. Bannister	✓		

Discussion of the Department of Revenue (DOR)

- I. Chair Bannister reminds DOR Director W. Hartley Powell that he remains under oath. He then administers the oath to the following DOR employees:

- a. Meredith Cleland, Deputy Director, Government Services
- b. Jenna Crum, Human Resources Director
- c. Matthew Norman, Controller
- d. Ashley Thomas, Deputy Director, Communications and Strategic Initiatives
- e. Laura Watts, Deputy Director, Administrative Services

- II. Director Powell provides testimony on the following topics:

- a. Key staff
- b. Agency history
- c. Vision and mission
- d. Goals
- e. Stakeholders
- f. Resources
- g. Tax processing and collections
- h. Audits and appeals
- i. Taxpayer services
- j. Litigation, policy, and licensing
- k. Agency organization
- l. Internal audit
- m. Successes, challenges, and emerging issues
- n. Recommended law changes

Subcommittee members ask questions during and after the Director's testimony. Director Powell and other agency staff respond.

- III. There being no further business, the meeting is adjourned.

STUDY TIMELINE: S.C. DEPARTMENT OF REVENUE

2017

December 19, 2017 **Full committee votes** to make SCDOR the next agency for the Economic Development, Natural Resources, and Transportation Subcommittee to study. [Video](#) and [minutes](#) of the meeting are available online.

2018

January 23 – March 1, 2018 Committee solicits input from the public about the agency in the form of an **online public survey**. The [results of the public survey](#) are available online.

March 1, 2018 Committee holds **public input meeting (Meeting #1)** about this and other agencies.

May 31, 2018 SCDOR submits its Program Evaluation Report to the Committee.

June 18, 2018 Subcommittee meets with agency (**Meeting #2**) to discuss the agency's history; legal framework; mission; vision; organizational structure; deliverables and customers; resources; relationships with other agencies; and goals.

July 10, 2018 (TODAY) Subcommittee meets with agency (**Meeting #3**) to discuss the following agency divisions: Government Services, Taxpayer and Business Services, Security and Information Technology Services, and Litigation and Appeals

Ongoing Public may submit written comments on the Oversight Committee's webpage, accessed from www.scstatehouse.gov.

SCDOR STRATEGIC PLAN

		# of FTEs Utilized	Amount Spent/ Budgeted	% of Total Budget
Goal 1 - Fairly administer and enforce the revenue and regulatory laws of the State of South Carolina.	FY17	525	\$59,271,933	59%
	FY18	535	\$71,014,994	73%
Strategy 1.1 - Increase tax compliance of all taxpayers.	FY17	490	\$55,672,510	56%
	FY18	500	\$62,476,715	65%
<p>Objectives:</p> <ul style="list-style-type: none"> 1.1.1 - Collect tax revenue in support of the State's General Fund. 1.1.2 - Reduce debt owed to South Carolina organizations and governmental entities by expanding external stakeholder partnerships. 1.1.3 - Ensure equity across South Carolina taxpayers by pursuing non-compliant taxpayers through fair identification, audit, and litigation. 1.1.4 - Increase taxpayer awareness and compliance through outreach and by simplifying filing and payment methods. 				
Strategy 1.2 - Protect taxpayers and State revenues by enhancing fraud prevention & detection.	FY17	20	\$2,110,845	2%
	FY18	20	\$3,538,279	4%
<p>Objectives:</p> <ul style="list-style-type: none"> 1.2.1 - Increase the prevention rate of fraudulent tax refunds distributed. 1.2.2 - Increase employee and public awareness of personal protection strategies to prevent fraud. 				
Strategy 1.3 - Consolidate SCDOR's multiple tax processing systems into one efficient system, known as DORWay.	FY17	15	\$1,488,578	1%
	FY18	15	\$5,000,000	5%
<p>Objectives:</p> <ul style="list-style-type: none"> 1.3.1 - Monitor and refine the taxes transitioned to DORWay in Phase I (FY15) and Phase II (FY16). 1.3.2 - Prepare for and implement Phase III of DORWay, scheduled for rollout in September of 2017. 1.3.3 - Prepare for Phase IV of DORWay, scheduled for rollout in September of 2018. 				

		# of FTEs Utilized	Amount Spent/ Budgeted	% of Total Budget
Goal 2 – Ensure taxpayer security by utilizing state-of-the-art technology.	FY17	37	\$15,034,219	15%
	FY18	37	\$13,034,625	13%
Strategy 2.1 - Cultivate an increasingly mature security governance Program.	FY17	5	\$1,926,359	2%
	FY18	5	\$2,000,000	2%
Objectives: 2.1.1 - Achieve satisfactory results from each external regulatory body performing a security assessment or audit. 2.1.2 - Increase employee knowledge by providing in-class and e-learning training opportunities regarding security and disclosure. 2.1.3 - Perform oversight of partners and vendors.				
Strategy 2.2 - Increase efficiency and security by effectively utilizing state-of-the-art security technology and processes.	FY17	30	\$6,321,544	6%
	FY18	30	\$6,495,000	7%
Objectives: 2.2.1 - Ensure security resources (appliances, hardware, software, etc) are fully leveraged. 2.2.2 - Provide flexibility to Agency business operations by streamlining security processes. 2.2.3 - Increase taxpayer customer service by reducing the "time to market" for new products and services. 2.2.4 - Maintain and enhance employee and stakeholder safety in the workplace.				
Strategy 2.3 - Increase security by consolidating multiple antiquated tax processing systems through the implementation of DORWay.	FY17	2	\$6,786,316	7%
	FY18	2	\$4,539,625	5%
Objectives: 2.3.1 - Conduct a Risk Assessment of DORWay, Phase III, and achieve a score of 95% or greater. 2.3.2 - Complete an Application Security Scan of MyDORWay (online taxpayer portal). 2.3.3 - Complete an access review of DORWay users.				

		# of FTEs Utilized	Amount Spent/ Budgeted	% of Total Budget
Goal 3 – Maintain a positive customer service experience for all stakeholders.	FY17	101	\$6,823,448	7%
	FY18	111	\$6,910,000	7%
Strategy 3.1 - Increase taxpayer satisfaction by enhancing how the Agency interfaces with customers.	FY17	50	\$2,326,291	2%
	FY18	50	\$2,350,000	2%
Objectives: 3.1.1 - Maintain a positive customer satisfaction score as reported through an independent third party surveyor. 3.1.2 - Enhance the customer service experience for stakeholders who utilize the Agency's public facing teams (i.e., Call Center, TAO, etc.). 3.1.3 - Increase employee knowledge by providing in-class and e-learning training opportunities regarding Phase III of DORWay.				
Strategy 3.2 - Streamline tax processing to ensure effective, accurate, and timely service for all taxpayers.	FY17	44	\$3,694,291	4%
	FY18	54	\$3,750,000	4%
Objectives: 3.2.1 - Increase the % of total tax returns received electronically. 3.2.2 - Increase taxpayer usage of the MYDORWay portal. 3.2.3 - Increase tax payments and license fees received electronically.				
Strategy 3.3. - Increase customer satisfaction by offering assistance through the interpretation & dissemination of tax law.	FY17	7	\$802,866	1%
	FY18	7	\$810,000	1%
Objectives: 3.3.1 - Offer formal and informal legal interpretation of tax laws to advocate taxpayer compliance. 3.3.2 - Increase customer satisfaction by disseminating information to taxpayers to advocate tax compliance.				

		# of FTEs Utilized	Amount Spent/ Budgeted	% of Total Budget
Goal 4 – Promote and maintain a competent, productive, and diverse workforce.	FY17	16	\$1,168,154	1%
	FY18	21	\$1,185,000	1%
Strategy 4.1 - Recruit and develop a competent, productive, and diverse workforce.	FY17	9	\$712,892	0.7%
	FY18	12	\$725,000	0.7%
<p>Objectives:</p> <ul style="list-style-type: none"> 4.1.1 - Recruit and hire candidates that meet or exceed the minimum qualifications to ensure Agency needs are met and sustained. 4.1.2 - Increase employee knowledge by providing in-class, e-learning, and mentoring training opportunities. 4.1.3 - Support employee advancement through the attainment of relevant industry credentials. 4.1.4 - Continuously review and enhance succession planning efforts. 				
Strategy 4.2 - Value and retain a competent, productive, and diverse workforce.	FY17	7	\$455,262	0.5%
	FY18	9	\$460,000	0.5%
<p>Objectives:</p> <ul style="list-style-type: none"> 4.2.1 - Increase the % of employee evaluations (EPMS) completed by the due date. 4.2.2 - Enhance the Agency's competitiveness in the marketplace by conducting salary studies. 4.2.3 - Promote employee participation in health, wellness, and community outreach opportunities. 4.2.4 - Meet or exceed State diversity goals. 				

SCDOR ORGANIZATIONAL STRUCTURE

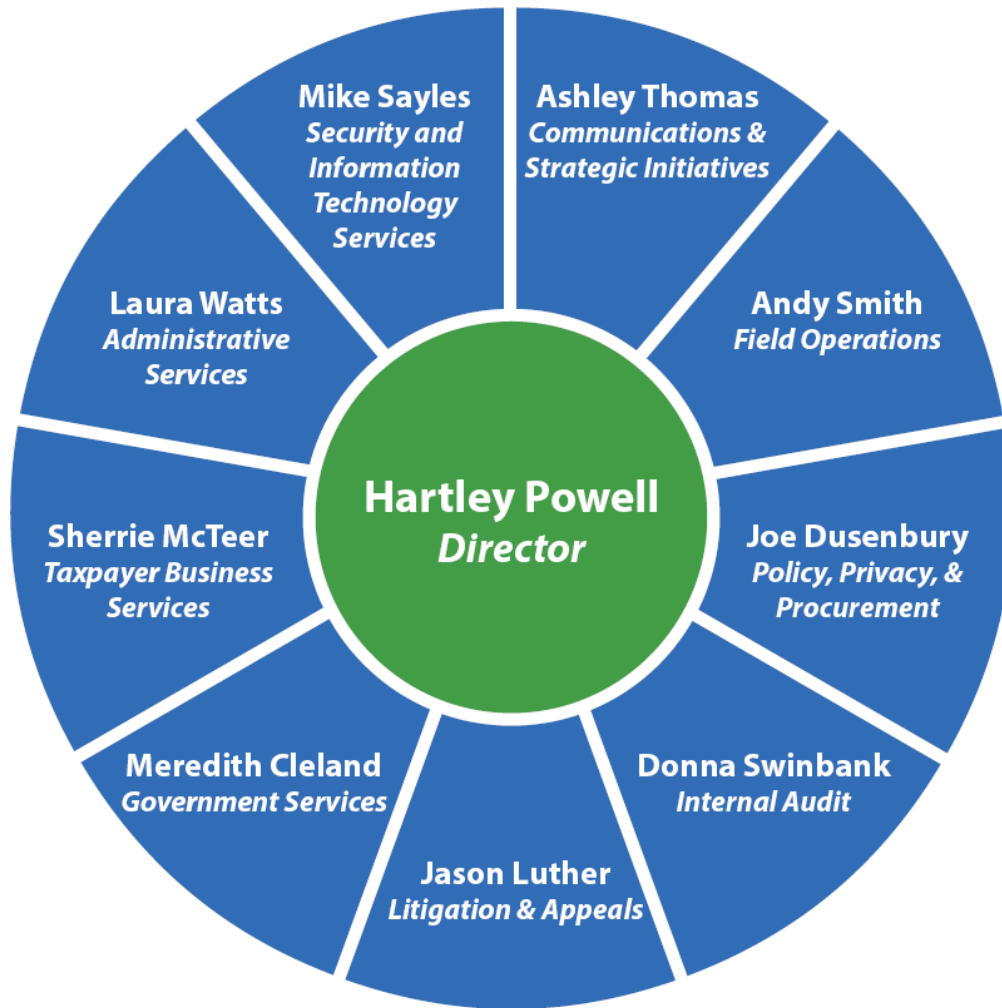


Figure 1. SCDOR divisions, as provided by SCDOR on June 15, 2018.

Table 2. SCDOR organizational units, as reported by the agency in its PER.

Organizational Unit	Divisions Included	Year	Turnover rate in the org unit	Employee satisfaction tracked?	Anonymous feedback allowed?	Did any of the jobs in the org unit require a certification?	If yes, did the agency pay for or provide education requirements for certification?
I. Administrative and Program Support	<ul style="list-style-type: none"> Internal Audit Security (<i>partial division</i>) Communications and Strategic Initiatives 	2014-15:	7.69%	✓	✓	No	
		2015-16:	0.00%	✓	✓	No	
		2016-17:	6.67%	No	No	No	
II.A Support Services	<ul style="list-style-type: none"> Administrative Services Information Technology Services (<i>partial division</i>) 	2014-15:	23.53%	✓	✓	✓	✓
		2015-16:	17.76%	✓	✓	✓	✓
		2016-17:	8.40%	No	No	✓	✓
II. B Revenue and Regulatory	<ul style="list-style-type: none"> Field Operations Taxpayer & Business Services Government Services Litigation and Appeals 	2014-15:	12.42%	✓	✓	✓	✓
		2015-16:	10.90%	✓	✓	✓	✓
		2016-17:	14.34%	No	No	✓	✓
II.C Legal, Policy and Legislation	<ul style="list-style-type: none"> Policy, Privacy, and Procurement 	2014-15:	0.00%	✓	✓	✓	✓
		2015-16:	0.00%	✓	✓	✓	✓
		2016-17:	37.50%	No	No	✓	✓

GOVERNMENT SERVICES DIVISION

Deputy Director

Meredith Cleland

Number of Employees

46 FTEs

Related Goals

- 1 Fairly administer and enforce the revenue and regulatory laws of the State of South Carolina.
- 3 Maintain a positive customer service experience for all stakeholders.

Related Deliverables

Deliverable numbers correspond to the deliverables chart in the agency's PER. See Table 3 for details on each deliverable.

63	Administer, Enforce, and/or Collect Taxes and Fees
	<ul style="list-style-type: none">• <i>Local option sales tax</i>• <i>Capital project sales tax</i>• <i>Local sales tax</i>• <i>Tourism development fee</i>• <i>Local option transportation tax</i>• <i>Homestead exemption</i>
174	Protect Taxpayers' Rights
184	Assist Local Governments Related to Property Taxes
230	Assist the Catawba Indian Tribe with the Administration of Taxes
255	Collect a Tax/Fee and Remit Revenue to a State or Local Governmental Entity or Non-Governmental Entity
322	Support State Government
336	Establish Partnerships to Promote Tax Compliance and Simplify Tax Administration
341	Establish Procedures for Disagreements
358	Notify Taxpayers and External Stakeholders
372	Provide a Report
388	Serve on a Committee or Board
393	Support Local Governments

Table 3. Applicable laws for the Government Services Division's deliverables, as provided by SCDOR in its PER (emphasis added).

# from PER	Applicable Law	Summary of Requirement
63	Administer, Enforce, and/or Collect Taxes and Fees	
64	4-10-90(A)	SCDOR shall administer and collect the local sales and use tax in the manner that statewide sales and use taxes are collected and administered. (Local Option Sales Tax)
65	4-10-350(A)	SCDOR must administer and collect the Capital Project Sales Tax in the same manner that other sales and use taxes are collected.
66	4-10-360	SCDOR shall deposit with the State Treasurer all collections to be credited to a separate account.
67	4-10-580(A)	SCDOR must administer and collect local sales tax in the same manner that other sales taxes are collected.
68	4-10-770	SCDOR must administer and collect the local option sales and use tax for local property tax credits, if imposed by a county, in the same manner that other sales and use taxes are collected.
69	4-10-940 (B)	SCDOR must administer and collect the Tourism Development Fee in the same manner as the Sales and Use Tax.
70	4-12-30(B)(3)	SCDOR shall designate by December thirty first of each year the counties qualifying for the reduced fee-in-lieu threshold requirement .
71	4-12-30 (O)(8)	SCDOR shall develop applicable forms and procedures for handling and processing extension requests .
72	4-37-30 (A)(8)	The Local Option Transportation tax levied pursuant to this section must be administered and collected by SCDOR in the same manner that other sales and use taxes are collected.
77	12-4-310(2)	SCDOR shall formulate and recommend legislation to enhance uniformity, enforcement, and administration of the tax laws, and secure just taxation and improvements in the system of taxation.
121	12-37-250(A)(4)	SCDOR must approve forms for the homestead exemption . SCDOR shall direct the auditor to notify municipalities of all applications for the homestead exemption within the municipality and the information necessary to calculate the amount of the exemption.
122	12-37-250(G)	SCDOR shall develop advisory opinions as may be necessary to carry out the homestead exemption provisions.
123	12-37-255(C)	SCDOR must withhold from the next disbursement of state funds to a county or municipality the amount of tax and penalties related to improperly granted homestead exemptions .
124	12-37-266(A)	SCDOR must approve forms used by a trustee who holds legal title to a dwelling in order to apply for a homestead exemption .
125	12-37-266(B)	SCDOR shall reimburse the taxing entity for the taxes not collected by reason of the homestead exemption .
126	12-37-270(A)	SCDOR from the Trust Fund for Tax Relief shall annually pay to the county or municipality in which a dwelling is located a sum equal to the taxes not collected because of the homestead exemption .
127	12-37-270(B)	SCDOR shall purchase and distribute the applications for the homestead exemption and the costs must be paid from the trust fund.

# <i>from PER</i>	Applicable Law	Summary of Requirement
128	12-37-735 (B)	SCDOR must design a form in which a transferor assumes personal liability for his share of the taxes when property is transferred .
129	12-37-1610	SCDOR shall prescribe a form for property filings of railroads .
130	12-37-2120	SCDOR prescribes form on which carlines pay property taxes.
135	12-60-2150 (F)	SCDOR shall consider any claim, determine the correct property tax assessment and issue any necessary orders. All appeals before SCDOR must be conducted as provided in Section 12-60-450 (C) through (E).
148	44-96-160(Y)	SCDOR shall promulgate regulations necessary to implement the provisions.
170	Regulation - 117-1720.2(A)	SCDOR shall annually make a ratio study of all the counties in the State to determine level of appraisal as provided in Section 12-43-250.
171	Regulation - 117-1740.1	SCDOR directs what information must be contained in a building permit .
174	Protect Taxpayers' Rights	
175	12-58-30	SCDOR shall establish the position of the taxpayer advocate . The taxpayer advocate is responsible for facilitating resolution of taxpayer's complaints and problems.
176	12-58-40	SCDOR shall develop and implement a taxpayer education and information program .
184	Assist Local Governments Related to Property Taxes	
185	4-12-30(D)(2)(a)(i)	In certain special instances, SCDOR must determine the value of property subject to the fee-in-lieu of taxes.
186	4-29-67(D)(2)(a)(iii)	SCDOR must determine a fair market value estimate of the value of the property using the procedure in the statute and must determine the value of real property subject to the fee under certain conditions. In certain special instances.
187	4-29-67 (S)(7)	SCDOR shall develop applicable forms and procedures for handling and processing fee-in-lieu extension requests .
188	6-1-85 (A)	SCDOR shall provide assessed values and fair market values of properties collected in accordance with 59-20-20 to the Office of Research and Statistics of the Revenue and Fiscal Affairs Office.
189	12-4-510(2)	In order to administer effectively the equitable assessment of property for taxation, SCDOR shall make the levy upon the assessed value of property subject to tax necessary to raise the annual appropriations made by the General Assembly as it relates to private carlines and flight equipment .
190	12-4-520(1)	SCDOR shall call meetings of all county assessors , to provide instruction as to the law governing the assessment and taxation of all classes of property. SCDOR shall formulate and prescribe rules to govern assessors and county boards of tax appeals in the discharge of their duties.
191	12-4-520(2)	SCDOR shall confer with, advise, and direct assessors and county boards of tax appeals as to their duties.

# <i>from PER</i>	Applicable Law	Summary of Requirement
192	12-4-520(5)	SCDOR shall require county auditors to place upon the assessment rolls omitted property that may have escaped taxation in the current or previous years.
193	12-4-540(A)	SCDOR has sole responsibility for the appraisal, assessment, and equalization of the taxable values of corporate headquarters, corporate office facilities, and distribution facilities and of the real and personal property owned by or leased by manufacturing, railway, private carline, airline, water, heat, light and power, telephone, cable television, sewer, pipeline, and mining businesses in the conduct of their business. SCDOR has sole responsibility for the appraisal, assessment, and equalization of the taxable values of the personal property of merchants .
194	12-4-540(D)	SCDOR shall assess all real and personal property , leased or used, to the owner, except as otherwise provided.
195	12-4-550(1)	SCDOR shall require municipal, county, and other public officers to report information as to the assessment of property, collection of taxes, receipts from licenses and other sources, and information necessary in the work of SCDOR.
196	12-4-550(2)	SCDOR shall require all persons to furnish information concerning their capital, bonded or other debts, current assets and liabilities, value of property, earnings, operating and other expenses, taxes, and other facts necessary for SCDOR to ascertain the value and relative tax burden borne by all kinds of property.
197	12-4-560	SCDOR shall prepare appropriate manuals, guides, and other aids for the equitable assessment of all properties and prepare suitable forms for an adequate listing and description of property by groups and classes.
198	12-4-710	SCDOR shall determine if any property qualifies for exemption from local property taxes under Section 12-37-220, except for the exemption provided by 12-37-220(A)(9) in accordance with the Constitution and general laws. This determination must be made on an annual basis and the appropriate county official advised by SCDOR by June first of each year.
199	12-4-730	SCDOR shall certify a property tax exemption on real and personal property to the auditor's office in the county for those approved.
200	12-37-970	SCDOR determines assessment of merchants' property and other business personal property and must supply these assessments to the counties.
201	12-37-1680	SCDOR shall proceed to ascertain value of railroads when railroad companies refuse to file.
202	12-37-2000	SCDOR shall examine statements filed by telegraph and telephone companies .
203	12-37-2130	SCDOR shall annually assess the valuation of all private cars of each private car company.
204	12-37-2140	SCDOR must determine valuation of carlines .
205	12-37-2150	SCDOR shall levy against carlines and determine average levy for all purposes in state.

# <i>from PER</i>	Applicable Law	Summary of Requirement
206	12-37-2430	SCDOR shall annually assess, adjust, equalize and apportion the valuation of all aircraft in this State.
207	12-37-2450	SCDOR shall annually levy tax against the value of aircraft so determined and collect the tax.
208	12-37-2680	SCDOR must provide motor vehicle guides to counties.
209	12-37-3150(A)(8)	SCDOR shall provide the form used to notify the tax assessor after a conveyance of an ownership interest that constitutes an assessable transfer of interest .
210	12-37-3160(A)	SCDOR shall examine the substance rather than merely the form of the transfer in determining whether an assessable transfer of interest has occurred.
211	12-37-3160(B)	SCDOR must prescribe the certificate that is contained with the property tax notice which certifies the details of the ownership of property.
212	12-39-15(A)	SCDOR must establish the content, cost and dates of continuing education courses that county auditors must complete.
213	12-39-150	SCDOR must prescribe the manner in which county auditors must list in a book all taxable property in the county and the value of it as equalized.
214	12-39-180	SCDOR must provide statements of the rates and sums to be levied for the current year to be used by county auditors . SCDOR shall prescribe the manner and form by which county auditors must list the property for taxation. SCDOR or the county auditor must place a minimum assessment of at least twenty dollars on all personal property that generates a tax bill.
215	12-39-350	When notified by the county auditor of property which is required by law to be assessed has been omitted, SCDOR shall appraise and assess the omitted personal property .
216	12-43-220 (g)	SCDOR must apply an equalization factor to real and personal property owned by or leased to transportation companies for hire as mandated by federal legislation.
217	12-43-224(3)	SCDOR must approve forms for discounted values which must be applied for subdivided lots with the local assessor.
218	12-43-230(a)	SCDOR shall provide by regulation a more detailed definition of agricultural real property consistent with the general definition set forth in this section which will be used by the county assessors.
219	12-43-230 (d)(3)	SCDOR must approve forms to be used for application of special valuation with the assessor for homeowners associations .
220	12-43-300	SCDOR shall prescribe a standard reassessment form designed to contain information required in Section 12-60-2510(A)(1).
221	12-44-50(A)(1)(c)(i)	In certain special instances, SCDOR must determine the value of property subject to the fee.
222	12-44-90(H)	SCDOR must develop forms and procedures for processing fee-in-lieu extension requests .
223	12-45-15(A)	SCDOR must establish the content, cost and dates of annual continuing education courses that county treasurers must complete.

# <i>from PER</i>	Applicable Law	Summary of Requirement
224	12-45-17	SCDOR must establish the content, cost and dates of annual continuing education courses that county tax collectors must complete.
225	12-45-70(A)	SCDOR must direct and supervise the manner in which the county treasurer should collect taxes as prescribed by law.
226	40-60-35 (A)(2)	Assessors and other staff responsible for the assessment of property must receive seven hours of instructions each year. This instruction must be received from SCDOR or other providers or courses approved by the Department of Labor, Licensing and Regulation.
227	Regulation - 117-1740.3	SCDOR directs what information must be kept by counties in order to value property for property tax purposes.
228	Regulation - 117-1740.4	SCDOR must provide forms to all counties for the purpose of providing information for ratio studies. SCDOR must also approve the forms for submission of information in an electronic form.
229	Regulation - 117-1840.2 (C)	SCDOR is responsible for implementing the use value procedures for timberland and cropland .
230	Assist the Catawba Indian Tribe with the Administration of Taxes	
233	27-16-130(D)(4)	If the Tribe chooses to assess a tribal real property tax , SCDOR shall provide necessary assistance.
234	27-16-130(F)(1)	A political subdivision may certify the deficiency of payment of property taxes to the State and the State shall levy against other taxable property of the taxpayer in the State and remit the proceeds to the appropriate taxing authority.
255	Collect a Tax/Fee and Remit Revenue to a State or Local Governmental Entity or Non-Governmental Entity	
290	12-37-2850	SCDOR must assess and collect property taxes on motor carriers and remit collections to the State Treasurer's Office and the State Treasurer's Office makes disbursements in accordance with SC Code Sec. 12-37-2870
322	Support State Government	
323	3-11-400(C)(3)(b)(iii)	SCDOR must make the information reported from gambling vessels available on a quarterly basis to: the county or municipality from which the gambling vessel originates, the general public, the Governor, President Pro Tempore of the Senate and the Speaker of the House.
324	11-9-820 (D)	SCDOR must provide to the Board of Economic Advisors by November tenth a report of the amount of tax credits claimed and magnetic tapes containing data from all state individual and corporate income tax filings from the previous year.
325	11-11-10	SCDOR shall furnish information as requested from the Executive Budget Office and Fiscal Affairs Office , and shall be present at all hearings before the committees having charge of the appropriations in the Senate and the House.

# <i>from PER</i>	Applicable Law	Summary of Requirement
335	109.1	(SCDOR: Educational Credit for Exceptional Needs Children) The board and SCDOR Director will appoint an executive director. SCDOR will support the board and will administer donor tax credits. SCDOR is required to complete the mandated reports regarding Exceptional SC.
336	Establish Partnerships to Promote Tax Compliance and Simplify Tax Administration	
337	12-4-310(3)	SCDOR shall consult and confer with the Governor upon the subject of taxation, the administration of the laws, and the progress of the work of the department, and furnish the Governor reports, assistance, and information he may require.
341	Establish Procedures for Disagreements	
350	12-60-1720	SCDOR shall prescribe rules and procedures it considers appropriate to administer property tax protests .
351	12-60-1730	SCDOR shall provide protest forms to county assessors for property assessments. The use of these forms is not mandatory.
358	Notify Taxpayers and External Stakeholders	
362	12-60-2140(A)	SCDOR shall notify the county auditor where the property is located to adjust the property tax assessment under protest to eighty percent if the appeal is not reasonably expected to be resolved by December thirty first.
363	12-60-2150 (B)	SCDOR shall notify the counties affected by any claim for refund of property tax.
372	Provide a Report	
373	11-44-70(D)	SCDOR shall report by March thirty first each year to the House Ways and Means Committee, the Senate Finance Committee, and the Governor, by county, the number of angel investor tax credit applications SCDOR has received, the number of applications approved and the tax credits approved. The report must be available in a conspicuous place on SCDOR's website.
374	12-4-310(4)	SCDOR shall prepare and publish, annually, statistics reasonably available with respect to the operation of the department, including amounts collected, and other facts it considers pertinent and valuable.
375	12-4-380	SCDOR shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, within thirty days of final settlement, the details of all tax liabilities reduced by order of the director .
376	12-20-105 (H)	SCDOR shall report to Senate Finance, House Ways and Means and Department of Commerce the history of the license tax credit pursuant to this section.
377	12-21-735(J)	SCDOR must report by March fifteenth of each year to Senate Finance and House Ways and Means the costs associated with the operation of the cigarette tax stamp program .
378	12-58-50 (B)	SCDOR shall annually publish a report of recommendations for improving taxpayer compliance and uniform administration.

# <i>from PER</i>	Applicable Law	Summary of Requirement
380	59-20-20(3)	SCDOR shall exclude an imputed value of impact aid receipts from the Index of Taxpaying Ability . The Index must be determined annually from sales ratio data. SCDOR shall provide a preliminary Index by December first of each year and a final Index by February first to the Department of Education and to each auditor of each county. SCDOR shall adjust the Index in the year in which an appeal is resolved. The data gathered by SCDOR to determine the Index must be preserved as public records in the offices of SCDOR for four years. SCDOR shall file a statement stating the methodology employed in making the annual determination of the Index. All worksheets, computer printouts, the actual calculation, appraisals and all working papers must be preserved as part of the public record. SCDOR must use only reported consideration on sales for which deeds have been placed on public record. SCDOR shall make appraisals where sales data is not available . The value of a fee-in-lieu of taxes shall be computed by SCDOR basing the computation on the net fee received and retained by the school district.
381	61-6-80	SCDOR shall file annual reports with the Governor and the General Assembly.
382	118. 10(c)	(SR: Tax Deduction for Consumer Protection Services) (C) By March fifteenth of each year, SCDOR shall issue a report to the Governor and the General Assembly detailing the number of taxpayers claiming the deduction allowed by this item in the most recent tax year for which there is an accurate figure, and the total monetary value of the deductions claimed pursuant to this item in that same year. (D) SCDOR shall prescribe the necessary forms to claim the deduction allowed by this section. SCDOR may require the taxpayer to provide proof of the actual costs and the taxpayer’s eligibility.
388 Serve on a Committee or Board		
389	11-9-820 (A)(1)(d)	The Director of SCDOR shall serve as an ex officio member with no voting rights on the Board of Economic Advisors (BEA), a division of the Revenue and Fiscal Affairs Office.
393 Support Local Governments		
394	4-10-90(C)	SCDOR shall furnish data to the State Treasurer and to the governing bodies of the counties and municipalities receiving revenues for the purpose of calculating distributions and estimating revenues. The information which may be supplied to counties and municipalities includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers. (Local Option Sales Tax)
395	4-10-370	SCDOR shall furnish data to the State Treasurer and to county treasurers receiving revenues for the purpose of calculating distributions and estimating revenues (Capital Project Sales Tax).
396	4-10-450	SCDOR shall furnish data to the State Treasurer and to a school district and others receiving tax revenues pursuant to this article for the purpose of calculating distributions and estimating revenues. (Education Capital Improvement Sales Tax)

# <i>from PER</i>	Applicable Law	Summary of Requirement
397	4-10-960	SCDOR shall furnish data to the State Treasurer and to the municipal treasurers receiving revenues for the purpose of calculating distributions and estimating revenues.
398	4-37-30 (A)(16)	SCDOR shall furnish data to the State Treasurer and to the counties receiving revenues for the purpose of calculating distributions and estimating revenues.
399	6-1-810	SCDOR shall share data helpful to both the department and the implementing jurisdiction regarding the enforcement of accommodation tax laws (Fairness in Lodging Acts).
400	11-11-156 (5)(b)	SCDOR must reimburse the county treasurer for Homestead Exemption credits of each school district in the county.
401	12-4-310(5)	SCDOR shall make available to the authorities of a political subdivision information reported to SCDOR pursuant to the requirements of Chapter 36 of this title of businesses licensed under Section 12-36-510 in the requesting political subdivision.
402	12-4-310(10)	SCDOR shall make gross receipts or net taxable sales figures reported to SCDOR available to municipalities or counties levying a tax based on gross receipts or net taxable sales.
403	12-4-310(11)	SCDOR shall provide data and assistance to municipalities and counties in which Article 8, Chapter 1, Title 6, the Fairness in Lodging Act, is implemented.
404	12-21-6550(B)	SCDOR shall notify the county or municipality in writing if a certification application is approved.
405	12-37-280(A)	SCDOR must make reimbursements to local governments for the homestead exemption on an annual basis.
406	12-37-450(A)	SCDOR shall make reimbursements for the inventory exemption to counties and municipalities in four equal payments. Counties and municipalities must be reimbursed for the inventory exemption based on the 1987 tax year millage and 1987 tax year assessed values for inventories.
407	12-43-250	SCDOR shall make sales ratio studies in all counties of the State.
409	31-17-340	SCDOR shall prescribe forms necessary to issue mobile home decals .
410	31-17-370	SCDOR shall prescribe forms necessary for moving permits on mobile homes and how it should be displayed.
411	Section 8. Act No. 355 of 2004: Clarendon School District Tax	SCDOR, the State Department of Education, and the Clarendon County Auditor shall furnish data to the State Treasurer, the county treasurer, and to the school districts receiving tax revenues pursuant to this act for the purpose of calculating distributions and estimating revenue. The information that must be supplied to Clarendon County school districts upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.

# <i>from PER</i>	Applicable Law	Summary of Requirement
412	Section 7. Act No. 588 of 1994: Cherokee School District Tax	SCDOR shall furnish data to the State Treasurer and to the school districts receiving tax revenues pursuant to this act for the purpose of calculating distributions and estimating revenues. The information which must be supplied to Cherokee County School District 1 upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.
413	Section 8. Act No. 132 of 2003: Darlington School District Tax	SCDOR shall furnish data to the State Treasurer and to the school districts for the purpose of calculating distributions and estimating revenues. The information which must be supplied to the school district upon request, includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.
414	Section 1(H). Act No. 146 of 2001: Jasper School District Tax	SCDOR shall furnish data to the State Treasurer and to the district for the purpose of calculating distributions and estimating revenues. The information which must be supplied to the district upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.
415	Section 9. Act No. 426 of 2006: Lee School District Tax	SCDOR, the State Department of Education, and the Lee County Auditor shall furnish data to the State Treasurer, the county treasurer, and to the governing body for the purpose of calculating distributions and estimating revenues. The information that must be supplied to the governing body upon request includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.
416	Section 8. Act No. 378 of 2004: Lexington School District Tax	SCDOR shall furnish data to the State Treasurer and to the school districts receiving tax revenues pursuant to this act for the purpose of calculating distributions and estimating revenues. The information which must be supplied to each school district upon request, includes, but is not limited to, gross receipts, net taxable sales, and tax liability by taxpayers.
417	Regulation - 117-1720.3	SCDOR must supply a copy of the final index of taxpaying ability to the Department of Education and the auditor of each county on or before February first.
418	1.48	(SDE: Impute Index Value) For the current fiscal year and for the purposes of calculating the index of taxpaying ability the SCDOR shall impute an index value for owner-occupied residential property qualifying for the special four percent assessment ratio. The SCDOR shall not include sales ratio data in its calculation of the index of taxpaying ability.






Note:

SCDOR reported that all of its deliverables are required by law, and that for every one, it:

- Evaluates the outcome obtained by customers/individuals who receive the service or product;
- Knows the number of potential and actual customers served annually;
- Evaluates customer satisfaction; and
- Knows the cost it incurs per unit to provide the service or product.

Related Performance Measures

Table 4. Performance Measures for the Government Services Division, as reported by SCDOR in its PER.

Performance Measure	Type of Measure:	Required or Selected?	Time Period		Time Period 1	Time Period 2	Time Period 3	Time Period 4	Time Period 5 (most recently completed)	Time Period 6 (current time period)
Total SCDOR General Fund Tax Revenue Collections (Dollars in Billions)	Outcome Measure	Agency Selected	July - June	Target:	DNE	\$9.10	\$10.50	\$10	\$7.75	\$8.12
				Actual:	\$8.90	\$9.10	\$10.50	\$10.90	\$7.78	
Total SCDOR Other Fund Tax Revenue Collections (Dollars in Billions)	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	\$3.90	\$3.90
				Actual:	Reported above	Reported above	Reported above	Reported above	\$3.90	
Number of community outreach opportunities offered to employees.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	12	30	30	12
				Actual:	DNE	DNE	11	30	12	
Percentage of personnel participating in community outreach activities.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	40%	40%	20%
				Actual:	DNE	DNE	DNE	40%	20%	
Total dollars donated by personnel to community outreach activities.	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	\$12,000	\$12,000	\$9,723
				Actual:	DNE	DNE	DNE	\$12,000	\$9,723	
Number of boxes of goods donated by personnel to community outreach activities.	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	52	52	40
				Actual:	DNE	DNE	DNE	52	40	

TAXPAYER AND BUSINESS SERVICES DIVISION

Deputy Director

Sherrie McTeer

Number of Employees

334 FTEs

Related Goals

- 1 Fairly administer and enforce the revenue and regulatory laws of the State of South Carolina.
- 3 Maintain a positive customer service experience for all stakeholders.

Related Deliverables

Deliverable numbers correspond to the deliverables chart in the agency's PER. See Table 5 for details on each deliverable.

1	Administer a License or Issue a Certificate to Operate a Place of Business or Sell a Specific Product <ul style="list-style-type: none">• <i>Tobacco products</i>• <i>Places of amusement</i>• <i>Retail sales locations</i>• <i>Drycleaners</i>
63	Administer, Enforce, and/or Collect Taxes and Fees
174	Protect Taxpayers' Rights
230	Assist the Catawba Indian Tribe with the Administration of Taxes
238	Collect a Tax/Fee and Remit Revenue to the State's General Fund
255	Collect a Tax/Fee and Remit Revenue to a State or Local Governmental Entity or Non-Governmental Entity
317	Determine and Issue a Refund to a Taxpayer
322	Support State Government
336	Establish Partnerships to Promote Tax Compliance and Simplify Tax Administration
341	Establish Procedures for Disagreements
354	Evaluate and Adjust Tax Rates
358	Notify Taxpayers and External Stakeholders
372	Provide a Report
393	Support Local Governments

Table 5. Applicable laws for the Taxpayer and Business Services Division's deliverables, as provided by SCDOR in its PER (emphasis added).

# from PER	Applicable Law	Summary of Requirement
1	Administer a License or Issue a Certificate to Operate a Place of Business or Sell a Specific Product	
2	12-21-670	SCDOR shall issue a license for sale of tobacco products upon receipt of application and SCDOR shall produce forms for this purpose.
3	12-21-2450	SCDOR shall issue licenses to operate a place of amusement upon receipt of application.
9	12-36-540	SCDOR shall issue a separate license for each retail sales location .
10	44-56-440 (C)	SCDOR must issue a drycleaner's certificate of registration.
63	Administer, Enforce, and/or Collect Taxes and Fees	
64	4-10-90(A)	SCDOR shall administer and collect the local sales and use tax in the manner that statewide sales and use taxes are collected and administered. (Local Option Sales Tax)
65	4-10-350(A)	SCDOR must administer and collect the Capital Project Sales Tax in the same manner that other sales and use taxes are collected.
66	4-10-360	SCDOR shall deposit with the State Treasurer all collections to be credited to a separate account.
67	4-10-580(A)	SCDOR must administer and collect local sales tax in the same manner that other sales taxes are collected.
68	4-10-770	SCDOR must administer and collect the local option sales and use tax for local property tax credits, if imposed by a county, in the same manner that other sales and use taxes are collected.
69	4-10-940 (B)	SCDOR must administer and collect the Tourism Development Fee in the same manner as the Sales and Use Tax.
71	4-12-30 (O)(8)	SCDOR shall develop applicable forms and procedures for handling and processing extension requests .
72	4-37-30 (A)(8)	The Local Option Transportation tax levied pursuant to this section must be administered and collected by SCDOR in the same manner that other sales and use taxes are collected.
73	11-44-70 (A)	SCDOR shall provide for the manner in which the angel investor application is to be submitted and shall review the application and tentatively approve the application upon determining that it meets the requirements of this chapter.
74	11-44-70 (B)	SCDOR shall provide tentative approval of the application by the date provided in subsection (C).
75	11-44-70 (C)	SCDOR shall notify each qualified investor of the tax credits tentatively approved and allocated to the qualified investor by January thirty first of the year after the application was submitted. If the credit amounts on applications filed with SCDOR exceed the maximum aggregate limit of tax credits, then the tax credit must be allocated among the angel investors who filed a timely application on a pro rata basis, based upon the amounts otherwise allowed by this chapter.

# <i>from PER</i>	Applicable Law	Summary of Requirement
78	12-6-20	SCDOR shall administer and enforce the taxes imposed by Chapter 6. SCDOR shall make and publish rules and regulations necessary to enforce this chapter.
79	12-6-1140(10)(d)	SCDOR must approve forms by which certifications must be filed by members of the State Guard and other officers eligible for a deduction.
80	12-6-3360 (B)	SCDOR shall rank and designate the state's counties for purposes of the jobs tax credit .
81	12-6-3360(I)	The appropriate agency involved with the jobs tax credit shall determine if qualifying net increases or decreases have occurred related to jobs.
82	12-6-3360 (J)	The appropriate agency shall prescribe certification procedures to ensure taxpayers can claim credits in future years even if a particular county's classification is changed.
83	12-6-3367 (D)	SCDOR shall prescribe certification procedures to ensure taxpayers may qualify for a corporate tax moratorium in future years even if a particular county is removed from the list of qualifying counties.
84	12-6-3375(B)(2)	SCDOR must prescribe the manner in which a taxpayer shall claim a credit for increasing its port cargo volume.
85	12-6-3381	SCDOR must prescribe a form in order to claim the tax credit for costs associated with a premarital preparation course .
86	12-6-3588	SCDOR shall determine the proof necessary to meet the requirements of the Clean Energy Tax Incentive Credit . SCDOR must certify the qualifying expenditures for the credit. SCDOR must consult with the Department of Commerce, the State Energy Office or any other agency on standards for certification
87	12-6-3622(B)	The fire sprinkler system credit is claimed on a form developed by SCDOR.
88	12-6-3780(A)(1)	SCDOR must prescribe the manner in which to claim the credit.
89	12-6-3910 (A)	SCDOR must prescribe forms for estimated taxes.
90	12-6-5060(B)	SCDOR must put a check off list on all individual income tax returns . The instructions to the income tax form must contain a description of the purposes for which the funds were established and the use of the monies from the income tax contributions.
91	12-6-5590(E)	SCDOR shall examine the substance and donative intent, rather than merely the form, of contributions qualifying as a qualified conservation contribution .
92	12-8-520 (A)	Employers withhold based on tables and rules promulgated by SCDOR.
93	12-8-590 (A)	SCDOR is to prescribe forms and provide for the manner in which withholding is to be conducted for distributions to non-resident shareholders of corporations and non-resident partners of partnerships.
94	12-8-1530 (A)	SCDOR is required to develop quarterly withholding returns.
95	12-10-82	SCDOR must create a form for a taxpayer to make an election to assign job development credits to a designated trustee.
98	12-21-735 (E)(6)	SCDOR determines the amount of credit to be allowed for the purchase of a stamping machine and equipment.

# <i>from PER</i>	Applicable Law	Summary of Requirement
100	12-21-1050	SCDOR shall prescribe forms for the collection of the beer and wine license tax .
101	12-21-1060	SCDOR shall allow a discount of two percent to the wholesaler on the amount of tax reported monthly on timely filed returns.
107	12-23-40	SCDOR shall administer and shall collect the electric power tax .
108	12-23-815	SCDOR shall issue assessments for the tax based on information provided by the Department of Health and Environmental Control and the Office of Research and Statistics of the Revenue and Fiscal Affairs Office.
109	12-23-820	SCDOR shall administer and enforce provisions of this article. The hospital tax levied pursuant to this article must be collected in accordance with the provisions of Chapter 54 of Title 12.
110	12-28-970 (A)	SCDOR must establish procedures regarding backup user fees related to motor fuel .
111	12-28-995	SCDOR shall establish conditions for payment of tax on motor fuel removed from a bulk plant and imported by a tank wagon and delivered to a South Carolina destination less than twenty five miles from the border of this state.
112	12-28-1730(F)	SCDOR shall impose a civil penalty in the amount of one thousand dollars or ten dollars for each gallon of dyed fuel used to operate a vehicle on the highways of this state.
113	12-33-480	SCDOR shall prescribe a form for the payment of taxes and must also assess and collect tax from licensed alcohol wholesalers in same manner as other taxes.
114	12-36-510(B)(3)	SCDOR must prescribe a form for payment of accommodations tax .
115	12-36-1320	Requires SCDOR to determine the useful life of transient construction property in order for use tax on transient construction property to be calculated.
116	12-36-2120(57)	SCDOR shall publish a yearly list of articles which qualify for the August sales tax holiday .
117	12-36-2120(65)(d)	SCDOR shall issue an exemption certificate to the qualifying taxpayer for a sales tax exemption for computer equipment for a technology intensive facility.
118	12-36-2120 (78)	SCDOR shall issue an appropriate exemption certificate to an organization which researches and tests natural hazards per the statute.
119	12-36-2660	SCDOR shall administer and enforce the provisions of Chapter 36, Title 12.
120	12-36-2680	SCDOR shall prescribe an exemption certificate for persons making exempt agricultural purchases .
131	12-54-25(C)(1)	SCDOR must determine amount of interest on refunds .
132	12-54-250(F)(2)	SCDOR shall include a notice detailing electronic filing requirements for tax return preparers filing one hundred or more returns in its form instructions and in the forms area of its website.

# <i>from PER</i>	Applicable Law	Summary of Requirement
133	12-60-410	SCDOR shall assess all state taxes , interest, additions to taxes, and penalties. Also, SCDOR shall furnish a copy of an assessment to the taxpayer upon request.
136	12-62-40(C)(3)	SCDOR shall issue a sales tax exemption certificate once an application for motion picture incentives is approved by the Secretary of Commerce.
138	23-47-50(F)	SCDOR requirement to provide form and collect 911 fees and deposit with State Treasurer.
141	44-56-405	SCDOR shall collect and enforce payment of surcharges and fees which constitute the Dry cleaning Facility Restoration Trust Fund
142	44-56-420(A)	SCDOR must collect and administer Drycleaning Facility Restoration Trust Fund.
143	44-56-425	Sets forth requirements for Dry cleaning Exemption Certificate. SCDOR shall issue an updated dry cleaning facility exemption certificate to a new owner or operator upon request.
144	44-56-435 (B)	SCDOR must administer, collect, and enforce the surcharge and fees in the same manner as sales and use taxes, except no timely payment discount, or exemptions or exclusions are allowed.
145	44-56-470(E)	SCDOR shall review the application for eligibility and request any information within ninety days. SCDOR shall notify the applicant within one hundred eighty days the eligibility status.
146	44-56-495(D)	An employee of SCDOR shall attend meetings of the Dry cleaning Advisory Council to provide the council informal assistance as to matters involving the surcharges and fees that are imposed by this act and administered and collected by SCDOR.
147	44-96-160(W)(1)	SCDOR shall administer, collect and enforce the motor oil fee in the same manner as sales and use taxes.
149	44-96-170(N)	SCDOR shall administer, collect and enforce waste tire disposal fee in the same manner as sales and use tax. SCDOR shall remit fees collected to the State Treasurer.
150	44-96-170(O)	SCDOR must provide requirements for verification of refunds on fees for tires.
151	44-96-180(F)	SCDOR shall administer, collect and enforce lead acid battery fee in the same manner as sales and use tax. SCDOR shall remit fees to the State Treasurer.
152	44-96-200 (E)	SCDOR shall administer, collect and enforce white good disposal fee in the same manner as sales and use tax. SCDOR shall remit fees to the State Treasurer.
153	48-30-50(1)	SCDOR shall develop administrative procedures to collect the assessment from primary forest product processors , deposit funds collected from the assessment and audit records to determine compliance.
154	48-30-80	SCDOR shall enforce collection of the primary forest product assessment.

# <i>from PER</i>	Applicable Law	Summary of Requirement
157	Section 6. Act No. 132 of 2003: Darlington School District Tax	The sales and use tax levied pursuant to this act must be administered and collected by SCDOR in the same manner that other sales and use taxes are collected.
158	Section 1(F). Act No. 146 of 2001: Jasper School District Tax	The tax levied pursuant to this section must be administered and collected by SCDOR in the same manner that other sales and use taxes are collected.
159	Section 6. Act No. 378 of 2004: Lexington School District Tax	The tax levied pursuant to this act must be administered and collected by SCDOR in the same manner that other sales and use taxes are collected.
160	Regulation - 117.200.2 (l)(2)(c)	If a taxpayer converts machine sensible records , including copies of files to a standard record format, SCDOR is responsible for developing the format.
161	Regulation - 117-850.1	SCDOR must provide forms for the completion of income tax returns. Reproduced or computer prepared forms must conform to the standards issued by the forms management section of SCDOR.
162	Regulation - 117-850.2	SCDOR must publish standards for the specifications for using non paper methods .
163	Regulation - 117-875	SCDOR must determine voluntary contributions to check offs at least annually.
164	Regulation - 117-1600.1	SCDOR must prescribe forms for reporting of sales of cigarettes .
165	Regulation - 117-1600.2 (a)	SCDOR shall develop and order forms for cigarette stamps .
166	Regulation - 117-1600.2(d)	SCDOR shall develop forms for purchase of exempt stamps .
172	109.7	(SCDOR: Fraudulent Tax Return Program) SCDOR may establish a Fraudulent Tax Return Detection Program to prevent payment of fraudulent tax refunds. To implement the program the department may contract with information and technology entities to provide the necessary detection capabilities. SCDOR shall pay for the program from the savings realized by implementation.
173	118. 10(d)	(SR: Tax Deduction for Consumer Protection Services) (D) SCDOR shall prescribe the necessary forms to claim the deduction allowed by this section. SCDOR may require the taxpayer to provide proof of the actual costs and the taxpayer's eligibility.
174	Protect Taxpayers' Rights	
177	12-58-80	SCDOR must develop and implement a program to evaluate employee's performance with respect to contact with taxpayers . The program must be coordinated with the Taxpayers' Rights Advocate.

# <i>from PER</i>	Applicable Law	Summary of Requirement
178	12-58-120	Provides guidelines where, under certain circumstances, SCDOR shall release any levy issued.
179	12-58-150	SCDOR shall provide an administrative appeal procedure for releasing liens .
180	12-58-160(A)	Requires action from SCDOR upon discovery of a lien that was filed in error.
181	12-58-160(B)	When SCDOR releases a lien erroneously filed, notice must be mailed to the taxpayer and a copy of the release forwarded to the major credit reporting companies upon taxpayer request.
182	12-58-165	If the department determines that no taxes were due, the recorded lien shall be expunged as if it were fully paid and satisfied.
183	12-60-1340	If SCDOR determines that public health, safety or welfare requires emergency action it shall seek an emergency revocation order from the Administrative Law Court.
230	Assist the Catawba Indian Tribe with the Administration of Taxes	
235	27-16-130(H)(3)(a)	Requires SCDOR to administer and collect the tribal sales tax.
236	27-16-130(H)(3)	SCDOR must administer and collect the tribal sales tax and must separately account for the tribal sales tax.
237	56-31-60(B)(1)	SCDOR shall deposit the heavy equipment rental fee to the local jurisdiction where the qualified heavy equipment was rented.
238	Collect a Tax/Fee and Remit Revenue to the State's General Fund	
240	12-6.	SCDOR must collect and remit individual income tax to the General Fund.
241	12-6-530	SCDOR must collect and remit corporate income tax to the General Fund.
242	12-8.	SCDOR must collect and remit revenue from withholding tax to the General Fund.
243	12-11.	SCDOR must collect and remit the bank tax to the General Fund.
244	12.13.	SCDOR must collect and remit the savings and loan association tax to the General Fund.
245	12-20.	SCDOR shall collect and remit the corporate license fee to the General Fund.
246	12-21.	SCDOR must collect and remit the admission fee, the beer and wine wholesalers excise tax, bingo tax, coin operated device tax and tobacco tax to the General Fund.
247	12-21-1120	Beer and wine taxes and license fees provided by this article must be paid to and collected by SCDOR and deposited to the general fund of this state.
248	12-24.	SCDOR must collect and remit the documentary tax to the General Fund.
249	12-33.	SCDOR must collect and remit alcoholic liquor tax to the General Fund.
250	12-36.	SCDOR must collect and remit the sales tax and retailer license fee to the General Fund.
251	12-37.	SCDOR must collect and remit aircraft property tax and private car lines tax to the General Fund.

# <i>from PER</i>	Applicable Law	Summary of Requirement
255	Collect a Tax/Fee and Remit Revenue to a State or Local Governmental Entity or Non-Governmental Entity	
259	12-6-3780 (B)(2)	If the preventative maintenance refundable income tax credit claimed in a tax year is less than the amounts transferred to SCDOR, then the excess shall revert back from SCDOR to the Department of Transportation.
275	12-21-6530(A)	If a facility qualifies under this article, one-fourth of the admissions tax generated by that facility must be paid by SCDOR to the county or municipality in which the facility is located.
276	12-21-6540(A)	If a facility qualifies under this article, one-fourth of the admissions tax generated by that facility must be paid by SCDOR to the special tourism infrastructure development fund.
277	12-23-840	Revenues derived from the Hospital Tax must be deposited in the Medicaid Expansion Fund created by Section 44-6-155.
278	12-24-90(B)(1)	Allocates to the Heritage Land Trust Fund a portion of the state portion of the Deed Recording Fee collected.
279	12-24-90(B)(2)	Allocates to the State Housing Authority a portion of the state portion of the Deed Recording Fee collected.
294	27-16-110 (C)(3)	SCDOR shall collect all revenues derived from the special tribal bingo tax .
298	44-96-160(X)	SCDOR is required to adjust the rate of the fee to reflect a full year's collection to produce the amount of revenue required in the fund.
303	58-3-100	SCDOR must assess each utility company, railway company, household goods carrier and hazardous waste for disposal carrier its proportion of the expenses in proportion to its gross income from operation in this State. Assess the companies and collect in the manner provided by law for the collection of taxes and remit into the state treasury as other taxes.
304	58-4-60(B)(2)	SCDOR must assess each public utility, railway company, household goods carrier, and hazardous waste for disposal carrier its proportion of the expenses in proportion to its gross income from operation in this State. SCDOR bills and collects this tax for the Public Services Commission and Office of Regulatory Staff.
305	58-5-480	SCDOR on or before the first day of July in each year must assess each natural gas utility regulated and collect in the manner provided by law. The assessments must be deposited in a special fund with the State Treasurer's Office.
306	58-9-2535	SCDOR must collect a dual relay charge from Commercial Mobile Radio Service (CMRS) providers and remit revenue to the Office of Regulatory Staff.

# <i>from PER</i>	Applicable Law	Summary of Requirement
313	93.7	(DOA: Guardian Ad Litem Program) For the current fiscal year, the SCDOR is directed to reduce the rate of interest paid on eligible refunds by two percentage points. The revenue resulting from this reduction must be used exclusively for operations of the Guardian ad Litem program and be deposited in the State Treasury in a separate and distinct fund known as the "South Carolina Guardian ad Litem Trust Fund."
316	117.86	(GP: Joint Children's Committee) For the current fiscal year, SCDOR is directed to reduce the rate of interest paid on eligible refunds by one percentage point. Of the revenue resulting from this reduction, three hundred thousand dollars shall be transferred to the Senate for the Joint Citizens and Legislative Committee on Children. The remaining revenue resulting from this reduction shall be transferred to the Department of Juvenile Justice (DJJ).
317	Determine and Issue a Refund to a Taxpayer	
319	12-56-60 (B)	SCDOR shall determine if debtor is due a refund and shall set off the delinquent debt against the refund.
320	12-60-500	SCDOR shall issue an order to the State Treasurer to issue a refund if it's determined a refund is due.
321	12-60-2150 (D)	The appropriate division of SCDOR shall determine what refund is due and give the property taxpayer written notice of its determination.
322	Support State Government	
326	12-4-360	SCDOR shall verify, when requested by the Retirement Systems of the Public Employee Benefit Authority, information on individual income tax returns to assist the retirement systems in ascertaining if an individual receiving disability benefits has gainful employment for which he is receiving compensation.
329	16-11-340	SCDOR shall print and distribute to each business establishment in the State that has a retail license, a cardboard placard advising of penalties for armed robbery .
330	43-5-120(a)	SCDOR shall provide the Department of Social Services director or his designees an abstract of the income tax return requested, or provide information concerning any item of income or expense contained in the income tax return or disclosed by any investigation of income or return of the applicant or recipient.
332	46-1-160 (D)(1)	SCDOR shall utilize the provisions of the Setoff Debt Collections Act to collect money from a Farm Aid Grant recipient who provided inaccurate information or used funds for ineligible expenses.

# <i>from PER</i>	Applicable Law	Summary of Requirement
334	109.6	(SCDOR: Candidate Tax Return Programs) (A) From the funds appropriated in this act, the SCDOR must develop a program to process inquiries from a candidate for an office of this State or its political subdivisions or any gubernatorial appointee concerning whether that candidate or appointee has filed annual state income tax returns that he was required to file during the past ten years, regardless of the source of income, has paid all income taxes due during that time period, and has satisfied all judgments, liens, or other penalties for failure to pay income taxes when due. (B) Unless a candidate or appointee requests otherwise, the SCDOR must post the results of all inquiries from candidates or appointees in a prominent place on its internet website.
336 Establish Partnerships to Promote Tax Compliance and Simplify Tax Administration		
338	12-6-3620(E)	SCDOR shall consult with the State Energy Office or any other appropriate state and federal officials on standards for certification. SCDOR must notify the taxpayer that it qualifies for the biomass resource credit.
339	12-35-50	SCDOR shall enter into the Streamlined Sales and Use Tax Agreement .
340	109.4	(SCDOR: SCBOS Funds) SCDOR shall share equally the collection assistance fees imposed on overdue tax debt with the South Carolina Business One Stop program . The funds received by the department from this fee shall be used for continued administration of the revenue laws in a fair and impartial manner. Any unexpended funds generated by the fee shall be carried forward from the prior fiscal year into the current fiscal year and shall also be shared equally between the SCDOR and the South Carolina Business One Stop program.
341 Establish Procedures for Disagreements		
342	12-60-420(A)	In a division decision or a proposed assessment SCDOR must explain the basis for the division decision or proposed assessment and state the assessment will be made or the decision will be final unless the taxpayer protests.
343	12-60-420(B)	SCDOR shall make available forms which taxpayers may use to protest a division decision or a proposed assessment.
344	12-60-510(A)(2)	SCDOR must issue an assessment for taxes if a taxpayer fails to file a protest with SCDOR within ninety days.
354 Evaluate and Adjust Tax Rates		
355	11-47-20(j)	SCDOR shall ascertain the amount of State excise tax paid on cigarettes sold within South Carolina.
357	12-28-310 (D)	SCDOR shall permanently increase the amount of the motor fuel user fee by two cents, for a total of twelve cents starting on July 1, 2017 and each July 1st thereafter until after July 1, 2022.
358 Notify Taxpayers and External Stakeholders		
360	12-23-810 (C)	SCDOR must notify hospitals as to the amount of hospital tax due based on calculations from the Department of Health and Human Services.

# <i>from PER</i>	Applicable Law	Summary of Requirement
361	12-55-40	SCDOR shall notify a taxpayer that a collection assistance fee may be imposed in order to impose a collection assistance fee on a tax debt.
364	43-5-120(c)	The applicant or recipient whose income tax records have been requested from SCDOR shall be notified by mail that such request has been made at the time of the request.
365	44-56-435 (A)	SCDOR shall distribute registration forms to owners and operators of dry cleaning and wholesale facilities and to property owners. SCDOR shall use reasonable efforts to identify and notify owners, operators, and property owners of dry cleaning and wholesale supply facilities of the registration requirements by certified mail, return receipt requested. SCDOR shall provide to DHEC a copy of each applicant's registration materials within thirty working days of the receipt of materials.
366	44-56-440 (A)(2)(a)	SCDOR must notify the owner or operator of the dry cleaning facility of a registration by the property owner.
372	Provide a Report	
379	44-56-435 (F)	SCDOR shall create and update an annual report of all dry cleaning facilities in the State. Report must identify those that have a dry cleaning facility exemption certificate and must provide the status of the annual certificates of registration for those in the fund. SCDOR shall publicize the report and distribute it as widely as practical on October thirtieth of each year to interested parties.
382	118. 10(c)	(SR: Tax Deduction for Consumer Protection Services) (C) By March fifteenth of each year, SCDOR shall issue a report to the Governor and the General Assembly detailing the number of taxpayers claiming the deduction allowed by this item in the most recent tax year for which there is an accurate figure, and the total monetary value of the deductions claimed pursuant to this item in that same year. (D) SCDOR shall prescribe the necessary forms to claim the deduction allowed by this section. SCDOR may require the taxpayer to provide proof of the actual costs and the taxpayer's eligibility.
393	Support Local Governments	
408	12-53-50	SCDOR shall remit to the clerk of court of the county the amount of prior liens against the property seized and sold.

Note:

SCDOR reported that all of its deliverables are required by law, and that for every one, it:

- Evaluates the outcome obtained by customers/individuals who receive the service or product;
- Knows the number of potential and actual customers served annually;
- Evaluates customer satisfaction; and
- Knows the cost it incurs per unit to provide the service or product.

Related Performance Measures

Table 6. Performance Measures for the Taxpayer and Business Services Division, as reported by SCDOR in its PER.

Performance Measure	Type of Measure:	Required or Selected?	Time Period		Time Period 1	Time Period 2	Time Period 3	Time Period 4	Time Period 5 (most recently completed)	Time Period 6 (current time period)
Total SCDOR General Fund Tax Revenue Collections (Dollars in Billions)	Outcome Measure	Agency Selected	July - June	Target:	DNE	\$9.10	\$10.50	\$10	\$7.75	\$8.12
				Actual:	\$8.90	\$9.10	\$10.50	\$10.90	\$7.78	
Total SCDOR Other Fund Tax Revenue Collections (Dollars in Billions)	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	\$3.90	\$3.90
				Actual:	Reported above	Reported above	Reported above	Reported above	\$3.90	
Percentage of tax returns filed electronically.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	70%	70%	70%	70%	70%
				Actual:	DNE	64%	68%	65%	69%	
Percentage of dollars collected through electronic services.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	90%	85%	80%	85%	85%
				Actual:	DNE	83%	84%	85%	82%	
Number tax audits completed.	Output Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	45,000	45,000	DNE
				Actual:	DNE	DNE	DNE	45,638	43,056	
Dollars assessed by SCDOR's audit services (dollars in millions)	Output Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	\$172	\$172	DNE
				Actual:	DNE	DNE	DNE	\$172	\$288	
Percentage increase in collections from the Debt Setoff Program	Outcome Measure	Agency Selected	January - December	Target:	DNE	DNE	DNE	10%	10%	9%
				Actual:	DNE	DNE	DNE	9%	9%	
Collections from the Governmental Enterprise Accounts Receivable Program (GEAR) (dollars in millions)	Outcome Measure	Agency Selected	January - December	Target:	DNE	\$14.20	\$13.80	\$12.50	\$12.50	\$16.10
				Actual:	\$11.79	\$14.20	\$13.80	\$12.80	\$16.10	
Percentage increase in the total tax dollars saved from the identification of fraudulent activity.	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	DNE	DNE
				Actual:	DNE	DNE	DNE	62%	-19%	
Percentage of total tax dollars saved due to the identification of fraudulent activity as a result of	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	DNE	DNE
				Actual:	DNE	DNE	DNE	29%	42%	
Number of tax types migrated to DORWay Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	13	15
				Actual:	DNE	DNE	DNE	DNE	13	
Percentage of completion for migrating tax types to DORWay Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Number of taxpayer accounts migrated to DORWay Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	1,060,654	DNE
				Actual:	DNE	DNE	DNE	DNE	4,255,394	
Percentage of completion for migrating taxpayer accounts to DORWay Phase III.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	

Performance Measure	Type of Measure:	Required or Selected?	Time Period		Time Period 1	Time Period 2	Time Period 3	Time Period 4	Time Period 5 (most recently completed)	Time Period 6 (current time period)
Number of transaction tests performed in DORWay Phase III.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	8,828	DNE
				Actual:	DNE	DNE	DNE	DNE	8,828	
Percentage completion rate of DORWay, Phase III, transaction testing.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Percentage compliance rate achieved on a risk assessment of DORWay, Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	95%	97%
				Actual:	DNE	DNE	DNE	DNE	97%	
Percentage completion rate of MyDORWay application security scan.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Number of DORWay, Phase III, training attendees.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	700	700	444
				Actual:	DNE	DNE	DNE	700	444	
Number of DORWay, Phase III, training sessions held.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	118	95
				Actual:	DNE	DNE	DNE	DNE	95	
Number of external partners interfacing with DORWay, Phase III.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	53	50
				Actual:	DNE	DNE	DNE	DNE	53	
Number of enhancements made to DORWay, Phase I and Phase II.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	1,100	1351
				Actual:	DNE	DNE	DNE	DNE	1,351	

Related Law Recommendations

Provided by SCDOR in its PER.

1. Financial Institutions
2. Tax Liens
6. Credit for Energy Efficient Vehicles
7. Marketplace Facilitator

1. Financial Institutions

Summary of Current Law:

N/A

Recommendation:

SCDOR would like to participate in the Financial Institution Data Match (FIDM) program to share data files with financial institutions to identify financial assets of debtors with past due liabilities. This program will not provide new collection tools but provide a more streamline process to collect.

Other agencies that may be impacted:

Financial Institutions

Entities participating in the Debt Setoff or GEAR Program

Draft Language:

Chapter 54 of Title 12 is amended by adding the following section:

SECTION 1. Section 12-54-265. Notwithstanding any other provision of law, the department may submit to a financial institution, as defined in Section 63-17-2310(A)(2), information that identifies a debtor named on a warrant for distraint that has been issued and filed by the department or whose debt has been submitted to the department for collection under the provisions of Section 12-4-580. For purposes of debts named on warrants for distraint, the debt must be at least one hundred eighty days old from the date of assessment. The department may submit the information to the financial institution on a quarterly basis or, with the agreement of the financial institution, on a more frequent basis. A financial institution that receives the information must conduct a data match. The financial institution must then provide to the department, in a manner and form prescribed by the department, information concerning the debtor for purposes of collecting outstanding debts. The information provided to the department must include, but is not limited to, the information required pursuant to Section 63-17-2320(A). The financial institution must be paid a reasonable fee out of the collected funds not to exceed actual cost.

SECTION 2. This Act takes effect upon the signature of the Governor.

2. Tax Liens

Summary of Current Law:

Currently, SCDOR files tax lien notices with each county in which a warrant for distraint applies.

Recommendation:

Amend current law to allow SCDOR to implement a centralized system of filing and indexing of tax liens that is accessible to the public through SCDOR's website. Instead of filing liens with each county interested parties will be able to search the entire state for tax liens through one centralized source.

Other agencies that may be impacted:

Local Jurisdictions

Draft Language:

Section 12-54-122(G) of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

SECTION 1. Instead of filing a tax lien notice pursuant to item (1), the department may implement a system of filing and indexing liens which must be accessible to the public over the Internet or through other means as the department considers appropriate. A lien filed pursuant to this item is effective statewide from the date and time it is recorded and encumbers all the taxpayer's property and rights to property as provided in Section 12-54-120, regardless of the property's location. A lien filed pursuant to item (1) remains effective from the date and time it was recorded. Nothing in this item may be construed so as to extend the effectiveness of a lien beyond ten years from the date of filing, as provided in Section 12-54-120.

SECTION 2. This act takes effect July 1, 2019.

6. Credit for Energy Efficient Vehicles

Summary of Current Law:

The current law allows for an income tax credit for the purchase of new qualified fuel cell motor vehicles, advanced lean burn technology motor vehicles or hybrid motor vehicles meeting federal criteria. Unfortunately, the federal code section providing the criteria has been repealed leaving no guidelines to determine eligibility.

Recommendation:

Modify existing statute to provide clear guidelines to determine eligibility for the credit.

Other agencies that may be impacted:

None

Draft Language:

Amend Title 12, Chapter 6 by adding the following new section:

SECTION 1. (A) For tax years beginning on or after January 1, 2018 and before January 1, 2021, a resident individual taxpayer is allowed an income tax credit for the purchase of a new motor vehicle that meets the requirements of subsection (D). The credit must be claimed for the tax year in which the new motor vehicle is purchased.

(B) The credit amount for any new motor vehicle is:

(1) one hundred dollars for each new motor vehicle for which the mileage is at least forty-five but less than fifty-five; or

(2) three hundred dollars for each new motor vehicle for which the mileage is at least fifty-five.

(C) The credit allowed by this section is nonrefundable. If the amount of the credit exceeds the taxpayer's income tax liability for the applicable tax year, any unused credit may be carried forward for five years.

(D) For purposes of this section:

(1) 'new motor vehicle' means a car or truck that:

(a) is classified as a 'private passenger motor vehicle' pursuant to Section 56-3-630;

(b) is registered for operation upon the highways in this State; and

(c) has incurred five thousand or fewer miles at the time of purchase.

(2) 'mileage' means the combined miles per gallon of gasoline ("MPG") or miles per gallon of gasoline equivalent ("MPGe") for the make and model of the vehicle as published in the Fuel Economy Guide for the applicable model year.

(3) 'Fuel Economy Guide' means the annual Fuel Economy Guide published by the United States Department of Energy, Office of Energy Efficiency and Renewable Energy, and the United States Environmental Protection Agency.

SECTION 2. This act takes effect upon approval by the Governor and applies to income tax years beginning on or after January 1, 2018 and before January 1, 2021.

7. Marketplace Facilitator

Summary of Current Law:

There is no law related to taxation of third party sales.

Recommendation:

Definitions have been revised in Chapter 36 of Title 12 to ensure that third party sales will be subject to tax.

Other agencies that may be impacted:

None

Draft Language:

Amend Code Section 12-36-70 as follows:

SECTION 1. Section 12-36-70.

Retailer and seller include every person:

- (1)(a) selling or auctioning tangible personal property whether owned by the person or others;
- (b) furnishing accommodations to transients for a consideration, except an individual furnishing accommodations of less than six sleeping rooms on the same premises, which is the individuals place of abode;
- (c) renting, leasing, or otherwise furnishing tangible personal property for a consideration;
- (d) operating a laundry, cleaning, dyeing, or pressing establishment for a consideration;
- (e) selling electric power or energy;
- (f) selling or furnishing the ways or means for the transmission of the voice or of messages between persons in this State for a consideration. A person engaged in the business of selling or furnishing the ways or means for the transmission of the voice or messages as used in this subitem (f) is not considered a processor or manufacturer;

- (2)(a) maintaining a place of business or qualifying to do business in this State; or
- (b) not maintaining an office or location in this State but soliciting business by direct or indirect representatives, manufacturers agents, distribution of catalogs, or other advertising matter or by any other means, and by reason thereof receives orders for tangible personal property or for storage, use, consumption, or distribution in this State.

(3) operating a marketplace as a marketplace facilitator, as defined in Code Section 12-36-71.

The department, when necessary for the efficient administration of this chapter, may treat any salesman, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom they operate or from whom they obtain the tangible personal property sold by them, regardless of whether they are making sales on their own behalf or on behalf of the dealer, distributor, supervisor, employer, or other person. The department may also treat the dealer, distributor, supervisor, employer, or other person as a retailer for purposes of this chapter.

Amend Title 12, Chapter 36 by adding the following section:

SECTION 2. Section 12-36-71: Marketplace facilitator means any person who facilitates a retail sale of tangible personal property by (1) listing or advertising another person's products in any marketplace where sales at retail occur, whether physical or electronic, including stores, booths, catalogs, Internet websites, and similar places, and (2) processing the payment from the customer, either directly or indirectly through a third party, regardless of whether the marketplace facilitator receives compensation or other consideration in exchange for its services. A marketplace facilitator includes any related entities assisting in sales, storage, distribution, payment processing, or in any other manner with respect to the marketplace.

For purposes of this chapter, retail sales of tangible personal property made through a marketplace facilitator's marketplace are considered retail sales by the marketplace facilitator, and the marketplace facilitator is considered to be engaged or continuing within this State in the business of selling tangible personal property at retail and a retailer maintaining a place of business in this State.

Amend Code Section 12-36-90(1)(a) as follows:

SECTION 3. Section 12-36-90.

Gross proceeds of sales, or any similar term, means the value proceeding or accruing from the sale, lease, or rental of tangible personal property.

(1) The term includes:

(a) the proceeds from the sale of property sold on consignment by the taxpayer or from the sale of tangible personal property sold through a marketplace facilitator's marketplace;

Amend Code Section 12-36-130(1) as follows:

SECTION 4. Section 12-36-130.

Sales price means the total amount for which tangible personal property is sold, without any deduction for the cost of the property sold, the cost of the materials used, labor or service cost, interest paid, losses, or any other expenses.

(1) The term includes:

(a) any services or transportation costs that are a part of the sale, whether paid in money or otherwise; and

(b) any manufacturers or importers excise tax imposed by the United States; and,

(c) the proceeds from the sale of property sold on consignment by the taxpayer or from the sale of tangible personal property sold through a marketplace facilitator's marketplace.

Amend Code Section 12-36-1340 as follows:

SECTION 5. Each seller making retail sales of tangible personal property for storage, use, or other consumption in this State shall collect and remit the tax in accordance with this chapter and shall obtain from the department a retail license as provided in this chapter, if the retail seller:

(1) maintains a place of business;

(2) qualifies to do business;

(3) solicits and receives purchases or orders by an agent, independent contractor, representative, Internet websites, or any other means or salesman; or

(4) distributes catalogs, or other advertising matter, and by reason of that distribution receives and accepts orders from residents within the State.

SECTION 6. This act takes effect the first day of the third month after the signature of the Governor.

SECURITY AND IT SERVICES DIVISION

Deputy Director

Mike Sayles

Number of Employees

92 FTEs, 30 contractors

Related Goal

- 2 Ensure taxpayer security by utilizing state-of-the-art technology.

Related Deliverables

Note that deliverables usually consist of products/services provided to customers/stakeholders outside of the agency, and may not represent all the activities of a division.

Table 7. Applicable laws for the Security and Information Technology Services Division's deliverables, as provided by SCDOR in its PER (emphasis added).

# from PER	Applicable Law	Summary of Requirement
63	Administer, Enforce, and/or Collect Taxes and Fees	
172	109.7	(SCDOR: Fraudulent Tax Return Program) SCDOR may establish a Fraudulent Tax Return Detection Program to prevent payment of fraudulent tax refunds. To implement the program the department may contract with information and technology entities to provide the necessary detection capabilities. SCDOR shall pay for the program from the savings realized by implementation.

Note:

SCDOR reported that all of its deliverables are required by law, and that for every one, it:

- Evaluates the outcome obtained by customers/individuals who receive the service or product;
- Knows the number of potential and actual customers served annually;
- Evaluates customer satisfaction; and
- Knows the cost it incurs per unit to provide the service or product.

Related Performance Measures

Table 8. Performance Measures for the Security and Information Technology Services Division, as reported by SCDOR in its PER.

Performance Measure	Type of Measure:	Required or Selected?	Time Period		Time Period 1	Time Period 2	Time Period 3	Time Period 4	Time Period 5 (most recently completed)	Time Period 6 (current time period)
Total SCDOR General Fund Tax Revenue Collections (Dollars in Billions)	Outcome Measure	Agency Selected	July - June	Target:	DNE	\$9.10	\$10.50	\$10	\$7.75	\$8.12
				Actual:	\$8.90	\$9.10	\$10.50	\$10.90	\$7.78	
Total SCDOR Other Fund Tax Revenue Collections (Dollars in Billions)	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	\$3.90	\$3.90
				Actual:	Reported above	Reported above	Reported above	Reported above	\$3.90	
Number of tax types migrated to DORWay Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	13	15
				Actual:	DNE	DNE	DNE	DNE	13	
Percentage of completion for migrating tax types to DORWay Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Number of taxpayer accounts migrated to DORWay Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	1,060,654	DNE
				Actual:	DNE	DNE	DNE	DNE	4,255,394	
Percentage of completion for migrating taxpayer accounts to DORWay Phase III.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Number of transaction tests performed in DORWay Phase III.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	8,828	DNE
				Actual:	DNE	DNE	DNE	DNE	8,828	
Percentage completion rate of DORWay, Phase III, transaction testing.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Percentage of external security assessments and audits passed successfully.	Outcome Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	100%	100%	100%
				Actual:	DNE	DNE	DNE	100%	100%	
Percentage compliance rate achieved on a risk assessment of DORWay, Phase III.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	95%	97%
				Actual:	DNE	DNE	DNE	DNE	97%	
Percentage completion rate of MyDORWay application security scan.	Efficiency Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	100%	100%
				Actual:	DNE	DNE	DNE	DNE	100%	
Number of enhancements made to DORWay, Phase I and Phase II.	Input/Activity Measure	Agency Selected	July - June	Target:	DNE	DNE	DNE	DNE	1,100	1351
				Actual:	DNE	DNE	DNE	DNE	1,351	

LITIGATION AND APPEALS DIVISION

Deputy Director

Jason Luther

Number of Employees

19 FTEs

Related Goals

- 1 Fairly administer and enforce the revenue and regulatory laws of the State of South Carolina.
- 3 Maintain a positive customer service experience for all stakeholders.

Related Deliverables

Note that deliverables usually consist of products/services provided to customers/stakeholders outside of the agency, and may not represent all the activities of a division.

Table 9. Applicable laws for the Litigation and Appeals Division's deliverables, as provided by SCDOR in its PER (emphasis added).

# <i>from PER</i>	Applicable Law	Summary of Requirement
63	Administer, Enforce, and/or Collect Taxes and Fees	
140	38-55-570(C)	SCDOR shall report but not adjudicate all cases of suspected false statements to the Insurance Fraud Division of the Office of Attorney General.
174	Protect Taxpayers' Rights	
179	12-58-150	SCDOR shall provide an administrative appeal procedure for releasing liens .
183	12-60-1340	If SCDOR determines that public health, safety or welfare requires emergency action it shall seek an emergency revocation order from the Administrative Law Court.
341	Establish Procedures for Disagreements	
345	12-60-510 (B)	SCDOR shall issue an amended Department Determination in the same manner as the original if the original is remanded to SCDOR by the Administrative Law Court.
346	12-60-1310 (C)	SCDOR and the person shall stipulate the facts and issues after a protest is filed to attempt to settle a case.
347	12-60-1310 (D)(I)	SCDOR shall make a Department Determination using information provided in accordance with Section 12-60-30(15)(C)(iii).
348	12-60-1310 (D)(2)	A Department Determination by SCDOR must be in writing.

# <i>from PER</i>	Applicable Law	Summary of Requirement
349	12-60-1330(B)	SCDOR shall issue an amended Department Determination in the same manner as the original if the original is remanded to SCDOR by the Administrative Law Court.
352	12-60-2130	Upon remand of a case from the Administrative Law Court, SCDOR has thirty days, or a longer period if ordered by the judge, to consider the new facts. SCDOR shall issue its amended Department Determination in the same manner as the original.
353	12-60-2150 (H)	Upon remand, SCDOR has thirty days, or a longer period ordered by a judge, to consider new facts and amend its Department Determination . SCDOR shall issue its amended Department Determination in the same manner as the original.

Note:

SCDOR reported that all of its deliverables are required by law, and that for every one, it:

- Evaluates the outcome obtained by customers/individuals who receive the service or product;
- Knows the number of potential and actual customers served annually;
- Evaluates customer satisfaction; and
- Knows the cost it incurs per unit to provide the service or product.

Related Performance Measures

None.

Legislative Oversight Committee



South Carolina House of Representatives

Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: HCommLegOv@schouse.gov

Location: Blatt Building, Room 228