



FY 2022 Budget Request

SOUTH CAROLINA DEPARTMENT OF REVENUE

HOUSE WAYS AND MEANS COMMITTEE

JANUARY 2021

TABLE OF CONTENTS

Key Officials.....	2
Agency Overview	2
Organizational Chart & FTE Information	3
Performance Update.....	4
Financial Update	5
Budget Request.....	6
Proviso Request	6
Additional Information	6

KEY OFFICIALS

Hartley Powell, Director

(803) 898-5040

Hartley.Powell@dor.sc.gov

Meredith Cleland, Deputy Director

Government Services

(803) 898-5402

Meredith.Cleland@dor.sc.gov

AGENCY OVERVIEW

Mission

To administer the revenue and regulatory laws of the State with integrity, effectiveness, and fairness to all taxpayers, while maintaining the highest security and protection of taxpayer information.

Program Areas

- I. Administrative and Program Support
 - Internal Audit, Security, and Communications and Strategic Initiatives

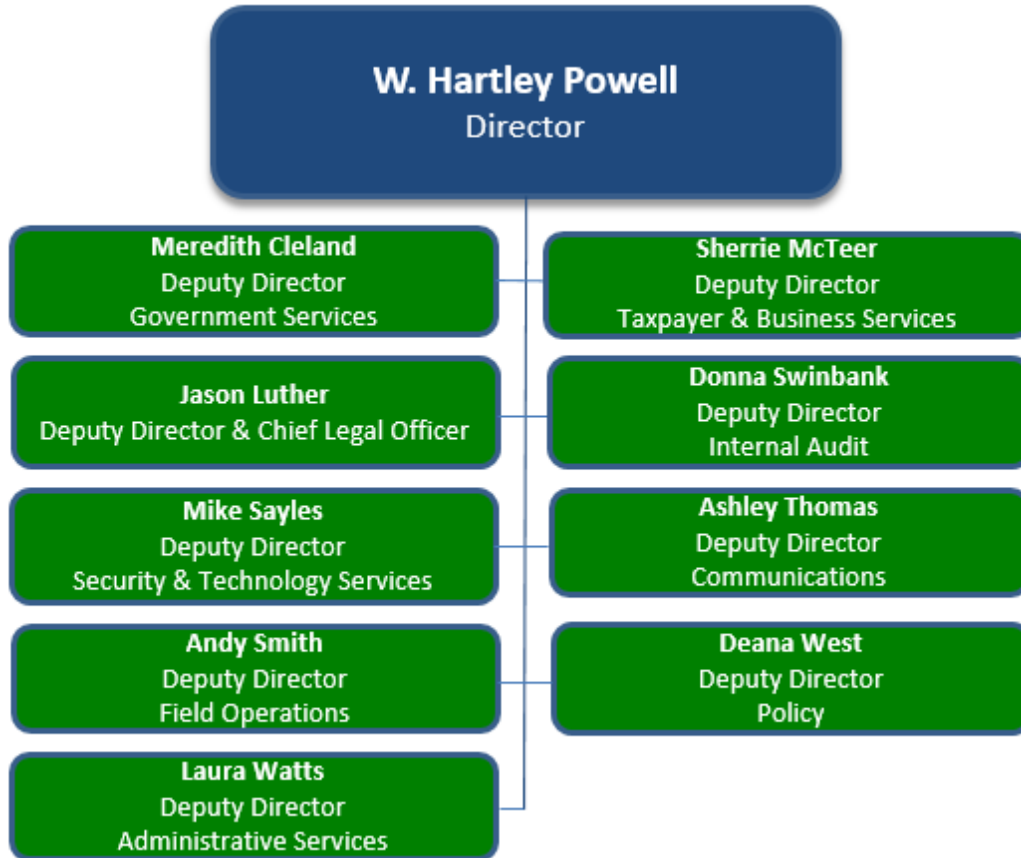
- II.A. Programs and Services. Support Services
 - Administrative Services, Procurement and Information Technology

- II.B. Program and Services. Revenue and Regulatory
 - Field Operations, Taxpayer and Business Services, Government Services, and Litigation and Appeals

- II.C. Programs and Services. Legal, Policy and Legislation
 - Policy and General Counsel

- III. Employee Benefits
 - Employer share of fringe benefits paid on agency employee salaries.

ORGANIZATIONAL CHART



FTE INFORMATION

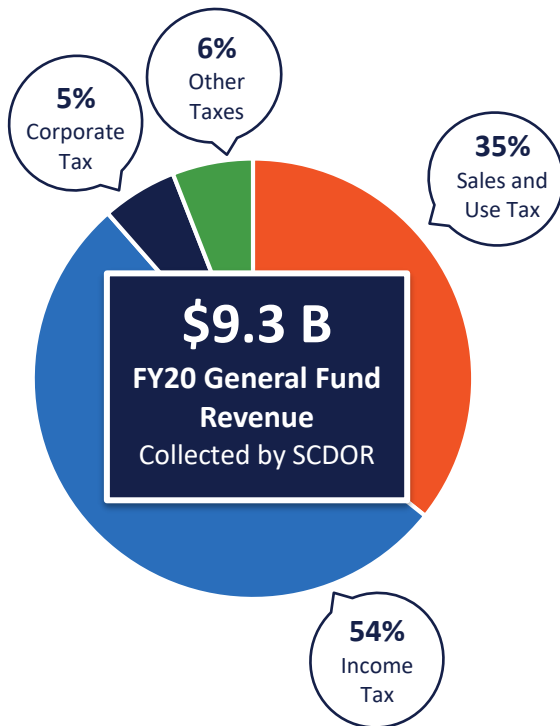
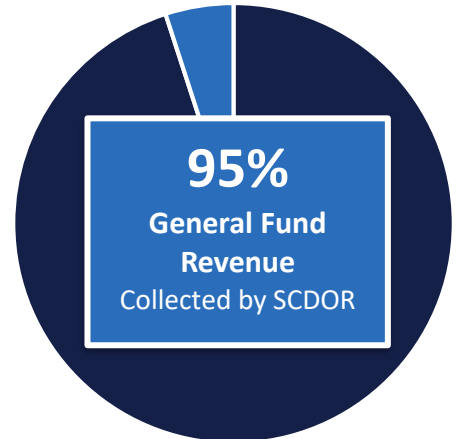
As of December 1, 2020

	<i>General Fund</i>	<i>Other Fund</i>	<i>Total</i>
<i>Authorized FTEs</i>	732.25	72.00	804.25
<i>Vacant FTEs</i>	125.25	5.00	130.25

PERFORMANCE UPDATE

Funding a Better State

The SCDOR strives to facilitate optimal tax and regulatory compliance to fund approximately 95% of the General Fund, which provides education, health and social wellness, safety and other critical services to South Carolina citizens.



SCDOR General Fund Collection Sources

General Fund revenue collected by the SCDOR is facilitated through the administration of Income, Sales and Use, Corporate, and other taxes and fees.

SCDOR Non-General Fund Collections

The SCDOR collects various taxes and fees that are directly allocated to local governments and other state agencies. Most notable are local option sales taxes.



FINANCIAL UPDATE

Fiscal Year 2020

	<i>Appropriations</i>	<i>Expenditures</i>	<i>FY19 Carryforward</i>
State Funds	\$52,206,400	\$52,316,026	\$3,109,541
<i>Recurring</i>	\$51,881,400	\$51,994,372	\$3,109,541
<i>CRF</i>	-	-	-
<i>Tobacco Proviso</i>	\$325,000	\$321,654	-
Federal Funds	-	-	-
Other Funds	\$34,177,093	\$33,798,478	\$10,342,635
Total Funds	\$86,383,493	\$86,114,504	\$13,452,176

Fiscal Year 2021

(Through 12/1/20)

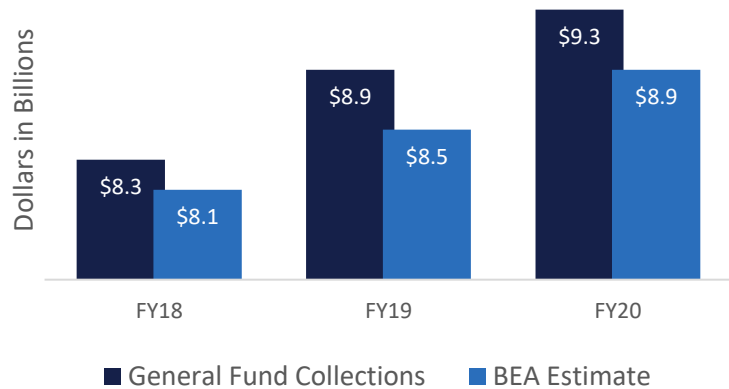
	<i>Appropriations</i>	<i>Expenditures</i>	<i>FY20 Carryforward</i>
State Funds	\$52,206,400	\$21,824,019	\$3,275,598
<i>Recurring</i>	\$51,881,400	\$21,691,057	\$3,275,598
<i>CRF</i>	-	-	-
<i>Tobacco Proviso</i>	\$325,000	\$132,962	-
Federal Funds	\$940,224	\$940,224	-
Other Funds	\$34,177,093	\$15,046,566	\$7,738,332
Total Funds	\$87,323,717	\$37,810,809	\$11,013,930

BUDGET REQUEST

If the SCDOR failed to fulfill its mission and goals, then the state’s funding would be dramatically impacted. Over the past several years, the SCDOR collections have steadily increased and exceeded the BEA’s estimate. For FY20, our collections reached record totals of \$9.3B, exceeding the total FY20 BEA estimate of \$8.9B.

SCDOR is well positioned and funded to accomplish its mission; therefore, no assistance is needed at this time from the General Assembly.

SCDOR General Fund Collections Compared to BEA Estimates



PROVISO REQUEST

Delete Proviso 109.15 – DOR: Cigarette Stamps. The extension granted by this Proviso has expired.

109.15. (DOR: Cigarette Stamps) The Department of Revenue must extend the date by which a person must file a report with the department stating the quantity of such unstamped packages of cigarettes that were in the person's possession as of January 1, 2019, to until October 1, 2019. If a person files the report by October 1, 2019, then the person is deemed to have filed the report by March 31, 2019. Upon application, in the current fiscal year, the department must refund any fine collected in contravention of this proviso.

ADDITIONAL INFORMATION

In order to maintain cyber/physical security and prevent taxpayer fraud, SCDOR plans to utilize its carryforward dollars as follows.

- DORWAY upgrades and enhancements
- Upgrade cyber security technology infrastructure
- Paperless office workflow management and file retention