

**REPORT OF THE  
GENERAL GOVERNMENT,  
PERSONNEL & BENEFITS SUBCOMMITTEE**  
(Herbkerman, White, J.H. Neal, Pitts & Umphlett - Staff Contact: Katie Owen)

---

---

**HOUSE BILL 3419**

---

---

H. 3419 -- Reps. Merrill and Bingham: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "TAXPAYER FAIRNESS ACT" BY ADDING SECTION 12-4-397 SO AS TO PROVIDE THE MANNER IN WHICH THE SOUTH CAROLINA DEPARTMENT OF REVENUE MUST INTERPRET TAX STATUTES OF THIS STATE, TO PROVIDE THAT TERMS IN THE TAX STATUTES OF THIS STATE MAY NOT BE GIVEN BROADER MEANING THAN INTENDED BY POLICY DOCUMENTS AND REGULATIONS OF THE DEPARTMENT OF REVENUE, TO PROVIDE THAT AMBIGUITY IN TAX STATUTES MUST BE RESOLVED IN FAVOR OF THE TAXPAYER, TO REQUIRE THE DEPARTMENT TO REPORT AMBIGUITIES TO CERTAIN MEMBERS OF THE GENERAL ASSEMBLY, AND TO DEFINE "TAX STATUTES OF THIS STATE".

***Summary of Bill:***

This bill provides the manner in which the Department of Revenue interprets tax statutes so that terms in the tax statutes may not be given broader meaning than intended. It further provides that any ambiguities within the tax statutes must be reported to certain members of the General Assembly.

***Introduced:*** 01/25/2011

***Received by Ways and Means:*** 01/27/2011

***Estimated Fiscal Impact:***

PENDING

***Subcommittee Recommendation:***

Favorable

***Full Committee Recommendation:***

Pending

***Other Notes/Comments:***

[CLICK HERE](#) to Edit Notes/Comments

**South Carolina General Assembly**  
119th Session, 2011-2012

**H. 3419**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Merrill and Bingham

Document Path: I:\council\bill\ncd\11138dg11.docx

Companion/Similar bill(s): 11

Introduced in the House on January 25, 2011

Currently residing in the House Committee on **Ways and Means**

Summary: Taxpayer Fairness Act

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/25/2011	House	Introduced and read first time ( <u>House Journal-page 25</u> )
1/25/2011	House	Referred to Committee on <b>Ways and Means</b> ( <u>House Journal-page 25</u> )

View the latest legislative information at the LPITS web site

**VERSIONS OF THIS BILL**

1/25/2011

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

**A BILL**

11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,  
12 1976, TO ENACT THE "TAXPAYER FAIRNESS ACT" BY  
13 ADDING SECTION 12-4-397 SO AS TO PROVIDE THE  
14 MANNER IN WHICH THE SOUTH CAROLINA  
15 DEPARTMENT OF REVENUE MUST INTERPRET TAX  
16 STATUTES OF THIS STATE, TO PROVIDE THAT TERMS IN  
17 THE TAX STATUTES OF THIS STATE MAY NOT BE GIVEN  
18 BROADER MEANING THAN INTENDED BY POLICY  
19 DOCUMENTS AND REGULATIONS OF THE DEPARTMENT  
20 OF REVENUE, TO PROVIDE THAT AMBIGUITY IN TAX  
21 STATUTES MUST BE RESOLVED IN FAVOR OF THE  
22 TAXPAYER, TO REQUIRE THE DEPARTMENT TO REPORT  
23 AMBIGUITIES TO CERTAIN MEMBERS OF THE GENERAL  
24 ASSEMBLY, AND TO DEFINE "TAX STATUTES OF THIS  
25 STATE".

26  
27 Be it enacted by the General Assembly of the State of South  
28 Carolina:

29  
30 SECTION 1. This act may be cited as the "Taxpayer Fairness  
31 Act".

32  
33 SECTION 2. Article 3, Chapter 4, Title 12 of the 1976 Code is  
34 amended by adding:

35  
36 "Section 12-4-397. (A) For purposes of this section, a 'tax  
37 statute of this State' means a statute imposing or relating to the  
38 imposition or nonimposition of a tax or fee administered by the  
39 South Carolina Department of Revenue.

40 (B) In applying the revenue statutes of this State, the  
41 department's interpretation of those statutes must be based solely

1 on the plain meaning of the statute's text and the legislative intent  
2 giving rise to the statute's enactment.

3 (C) Terms contained in the tax statutes of this State may not be  
4 given broader meaning in policy documents or regulations of the  
5 department beyond the meaning of the statute.

6 (D) If the application of subsection (B) of this section results in  
7 ambiguity with respect to the correct application of the statute,  
8 then that ambiguity must be resolved in favor of the taxpayer. The  
9 department shall report any ambiguity to the Governor, the  
10 President Pro Tempore of the Senate, the Speaker of the House of  
11 Representatives, and the respective Chairmen of the Senate  
12 Finance Committee and the House Ways and Means Committee.”

13  
14 SECTION 3. This act takes effect upon approval by the Governor.

15 ----XX----

16