**South Carolina General Assembly**

118th Session, 2009-2010

**A16, R40, H3721**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Kirsh

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Companion/Similar bill(s): 3383

Introduced in the House on March 24, 2009

Introduced in the Senate on April 14, 2009

Passed by the General Assembly on April 29, 2009

Became law without Governor's signature, May 7, 2009

Summary: Internal Revenue Code

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/24/2009 House Introduced and read first time [HJ](file:///h%3A%5CHJ%20Archive%5C2009%5C03-24-09.docx)‑10

 3/24/2009 House Referred to Committee on **Ways and Means** [HJ](file:///h%3A%5CHJ%20Archive%5C2009%5C03-24-09.docx)‑11

 3/31/2009 House Committee report: Favorable **Ways and Means** [HJ](file:///h%3A%5CHJ%20Archive%5C2009%5C03-31-09.docx)‑6

 4/1/2009 House Read second time [HJ](file:///h%3A%5CHJ%20Archive%5C2009%5C04-01-09.docx)‑33

 4/1/2009 Scrivener's error corrected

 4/2/2009 House Read third time and sent to Senate [HJ](file:///h%3A%5CHJ%20Archive%5C2009%5C04-02-09.docx)‑12

 4/14/2009 Senate Introduced and read first time [SJ](file:///h%3A%5CSJ%20Archive%5C2009%5C04-14-09.docx)‑22

 4/14/2009 Senate Referred to Committee on **Finance** [SJ](file:///h%3A%5CSJ%20Archive%5C2009%5C04-14-09.docx)‑22

 4/22/2009 Senate Committee report: Favorable **Finance** [SJ](file:///h%3A%5CSJ%20Archive%5C2009%5C04-22-09.docx)‑10

 4/28/2009 Senate Read second time [SJ](file:///h%3A%5CSJ%20Archive%5C2009%5C04-28-09.docx)‑30

 4/29/2009 Senate Read third time and enrolled [SJ](file:///h%3A%5CSJ%20Archive%5C2009%5C04-29-09.docx)‑6

 4/30/2009 Ratified R 40

 5/7/2009 Became law without Governor's signature

 5/15/2009 Effective date 05/07/09

 5/19/2009 Act No. 16

**VERSIONS OF THIS BILL**

[3/24/2009](file:///p%3A%5Cpprever%5C2009-10%5C3721_20090324.docx)

[3/31/2009](file:///p%3A%5Cpprever%5C2009-10%5C3721_20090331.docx)

[4/1/2009](file:///p%3A%5Cpprever%5C2009-10%5C3721_20090401.docx)

[4/22/2009](file:///p%3A%5Cpprever%5C2009-10%5C3721_20090422.docx)

(A16, R40, H3721)

**AN ACT TO AMEND SECTION 12‑6‑40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE TAX LAWS, SO AS TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE TO THE YEAR 2008; TO AMEND SECTION 12‑6‑50, AS AMENDED, RELATING TO INTERNAL REVENUE CODE SECTIONS NOT ADOPTED BY STATE LAW, SO AS TO MAKE ADDITIONS; AND TO PROVIDE THAT A TAXPAYER WHO FOLLOWS SECTION 3094 OF THE FEDERAL HOUSING ECONOMIC RECOVERY ACT OF 2008, FOR SOUTH CAROLINA PURPOSES MUST NOT BE PENALIZED.**

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

**Application of federal Internal Revenue Code to state tax laws**

SECTION 1. Section 12‑6‑40(A)(1)(a) of the 1976 Code, as last amended by Act 311 of 2008, is further amended to read:

 “(a) Except as otherwise provided, ‘Internal Revenue Code’ means the Internal Revenue Code of 1986, as amended through December 31, 2008, and includes the effective date provisions contained in it.”

**Internal Revenue Code sections specifically not adopted by State**

SECTION 2. Section 12‑6‑50 of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

 “Section 12‑6‑50. For purposes of this title and all other titles that provide for taxes administered by the department, except as otherwise specifically provided, the following Internal Revenue Code Sections are specifically not adopted by this State:

 (1) Sections 1(a) through 1(e), 3, 11, and 1201 relating to federal tax rates;

 (2) Sections 22 through 54, 515, 853, 901 through 908, and 960 relating to tax credits;

 (3) Sections 55 through 59 relating to minimum taxes;

 (4) Sections 78, 86, 87, 168(k), 168(l), 168(m), 168(n), 196, and 280C relating to dividends received from certain foreign corporations by domestic corporations, taxation of social security and certain railroad retirement benefits, the alcohol fuel credit, bonus depreciation, deductions for certain unused business credits, and certain expenses for which credits are allowable;

 (5) Sections 72(m)(5)(B), 72(f), 72(o), 72(q), and 72(t), relating to penalty taxes on certain retirement plan distributions;

 (6) Section 172(b)(1) relating to net operating loss carrybacks;

 (7) Section 199 relating to the deduction attributable to domestic production activities;

 (8) Sections 531 through 564 relating to certain special taxes on corporations;

 (9) Sections 581, 582, and 585 through 596 relating to the taxation of banking institutions;

 (10) Sections 665 through 668 relating to taxation of certain accumulation distributions from trusts;

 (11) Sections 801 through 845 relating to taxation of insurance companies;

 (12) Sections 861 through 908, 912, 931 through 940, and 944 through 989 relating to the taxation of foreign income;

 (13) Sections 1352 through 1359 relating to an alternative tax on qualifying shipping activities;

 (14) Sections 1400 through 1494;

 (15) Sections 1501 through 1505 relating to consolidated tax returns; and

 (16) Sections 2001 through 7655, 7801 through 7871, and 8001 through 9602, except for Sections 6015 and 6701, and except for Sections 6654 and 6655 which are adopted as provided in Section 12‑6‑3910 and Section 12‑54‑55.”

**Effect of compliance with the federal Housing Economic Recovery Act of 2008**

SECTION 3. For purposes of Section 12‑6‑3910, as last amended by Act 363 of 2002, a taxpayer must not be penalized for following the provisions of Section 3094 of the federal Housing Economic Recovery Act of 2008 (PL 110‑289) for South Carolina purposes.

**Time effective**

SECTION 4. This act takes effect upon approval by the Governor.

Ratified the 30th day of April, 2009.

Became law without the signature of the Governor -- 5/7/09.

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