

South Carolina General Assembly  
121st Session, 2015-2016

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**R108, S526**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Leatherman

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Introduced in the Senate on March 10, 2015

Introduced in the House on April 14, 2015

Passed by the General Assembly on June 4, 2015

Governor's Action: June 8, 2015, Signed

Summary: Tax penalties

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
3/10/2015	Senate	Introduced and read first time ( <a href="#">Senate Journal-page 4</a> )
3/10/2015	Senate	Referred to Committee on <b>Finance</b> ( <a href="#">Senate Journal-page 4</a> )
3/25/2015	Senate	Committee report: Favorable <b>Finance</b> ( <a href="#">Senate Journal-page 18</a> )
3/31/2015	Senate	Read second time ( <a href="#">Senate Journal-page 23</a> )
3/31/2015	Senate	Roll call Ayes-41 Nays-0 ( <a href="#">Senate Journal-page 23</a> )
4/1/2015	Senate	Read third time and sent to House ( <a href="#">Senate Journal-page 17</a> )
4/14/2015	House	Introduced and read first time ( <a href="#">House Journal-page 34</a> )
4/14/2015	House	Referred to Committee on <b>Ways and Means</b> ( <a href="#">House Journal-page 34</a> )
5/21/2015	House	Committee report: Favorable <b>Ways and Means</b> ( <a href="#">House Journal-page 30</a> )
5/26/2015	House	Requests for debate-Rep(s). Loftis, Hiott, Southard, Rutherford, Rivers, Crosby, Finlay, WJ McLeod, Hart, Erickson, RL Brown, Kirby, Henegan, Forrester, Burns, McCoy, Spires ( <a href="#">House Journal-page 76</a> )
6/3/2015	House	Read second time ( <a href="#">House Journal-page 186</a> )
6/3/2015	House	Roll call Yeas-94 Nays-5 ( <a href="#">House Journal-page 187</a> )
6/4/2015	House	Read third time and enrolled ( <a href="#">House Journal-page 28</a> )
6/4/2015		Ratified R 108
6/8/2015		Signed By Governor

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**VERSIONS OF THIS BILL**

[3/10/2015](#)

[3/25/2015](#)

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(R108, S526)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION [12-4-397](#) SO AS TO AUTHORIZE THE DEPARTMENT OF REVENUE TO DESIGNATE A THREE-MONTH AMNESTY PERIOD DURING WHICH THE DEPARTMENT SHALL WAIVE DELINQUENT TAX PENALTIES AND INTEREST AND SHALL NOT INITIATE A CRIMINAL INVESTIGATION, TO SPECIFY TAXPAYERS THAT MAY PARTICIPATE IN THE PROGRAM, AND TO SET FORTH THE MANNER IN WHICH THE DEPARTMENT SHALL ADMINISTER THE PROGRAM.**

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

### **Tax amnesty period**

SECTION 1. Article 3, Chapter 4, Title 12 of the 1976 Code is amended by adding:

"Section [12-4-397](#). (A) In order to encourage the voluntary disclosure and payment of taxes owed to the State, the General Assembly finds it desirable to allow the Department of Revenue to designate an amnesty period which has a beginning and ending date from time to time as determined by the department. During the amnesty period, the department shall waive the penalties and interest or portion of them at its discretion imposed pursuant to Titles 12, 27, and 61 for a taxpayer who voluntarily files delinquent returns and pays all taxes owed. If the department establishes an amnesty period pursuant to this section, it must notify the General Assembly of the amnesty period at least sixty days before the commencement of the amnesty period.

(B) If a taxpayer is granted amnesty, the department shall not initiate a criminal investigation or refer the taxpayer to the Office of the Attorney General for criminal prosecution for the tax or tax periods covered by the granting of amnesty.

(C) The department shall grant amnesty to a taxpayer who files a request for an amnesty form and:

(1) voluntarily files all delinquent tax returns and pays in full all taxes due;

(2) voluntarily files an amended tax return to correct an incorrect or insufficient original return and pays all taxes due; or

(3) voluntarily pays in full all previously assessed tax liabilities due within an extended amnesty period which begins at the close of the amnesty period and runs for a period of time as determined by the department. The department may set up installment agreements as long as all taxes are paid within this period. An installment agreement must be agreed upon before the close of the amnesty period established pursuant to subsection (A).

- (D) The department shall not grant amnesty to a taxpayer who is the subject of a state tax-related criminal investigation or criminal prosecution.
- (E) The department shall not waive penalties and interest attributable to any one filing period if the taxpayer has outstanding liabilities for other periods.
- (F) A taxpayer who has an appeal pending with respect to an assessment made by the department is eligible to participate in the amnesty program if the taxpayer pays all taxes owed. Payment of the outstanding liability does not constitute a forfeiture of appeal or an admission of liability for the disputed assessment.
- (G) The department must be reimbursed the administrative costs associated with the amnesty period in the amount of five percent of the amounts collected through amnesty. This amount may be retained and expended for budgeted operations.
- (H) The department may review all cases in which amnesty has been granted and may on the basis of mutual mistake of fact, fraud, or misrepresentation rescind the grant of amnesty. A taxpayer who files false or fraudulent returns or attempts in any manner to defeat or evade a tax under the amnesty program is subject to applicable civil penalties, interest, and criminal prosecution.
- (I) Compromised liabilities as allowed by Section [12-4-320](#)(3), may be eligible for relief under the amnesty period at the department's discretion.
- (J) Any overdue tax debt, as defined in Section [12-55-30](#), remaining unpaid may have imposed on it at the department's discretion an additional ten percent collection assistance fee. This collection assistance fee initially may be imposed on any overdue tax debt at the close of the extended amnesty period as prescribed by the department. This additional collection assistance fee only may be imposed for a period of one year after the close of the extended amnesty period."

**Time effective**

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 4th day of June, 2015.

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*President of the Senate*

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*Speaker of the House of Representatives*

Approved the \_\_\_\_\_ day of \_\_\_\_\_ 2015.

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*Governor*

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