COMMITTEE REPORT

February 22, 2011

**H. 3419**

Introduced by Reps. Merrill and Bingham

S. Printed 2/22/11--H.

Read the first time January 25, 2011.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 3419) 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, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

DANIEL T. COOPER for Committee.

**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”.

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

SECTION 1. This act may be cited as the “Taxpayer Fairness Act”.

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

“Section 12‑4‑397. (A) For purposes of this section, a ‘tax statute of this State’ means a statute imposing or relating to the imposition or nonimposition of a tax or fee administrated by the South Carolina Department of Revenue.

(B) In applying the revenue statutes of this State, the department’s interpretation of those statutes must be based solely on the plain meaning of the statute’s text and the legislative intent giving rise to the statute’s enactment.

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

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

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

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