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COMMITTEE REPORT

May 29, 2013

**H. 3632**

Introduced by Reps. G.M. Smith, White, Sandifer, J.R. Smith, Bannister and Lucas

S. Printed 5/29/13--S.

Read the first time April 25, 2013.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (H. 3632) to amend Section 42‑5‑190, as amended, Code of Laws of South Carolina, 1976, relating to the maintenance tax imposed by the Workers’ Compensation Commission, etc., respectfully

**REPORT:**

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

LARRY A. MARTIN for Committee.

**A** **BILL**

TO AMEND SECTION 42‑5‑190, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MAINTENANCE TAX IMPOSED BY THE WORKERS’ COMPENSATION COMMISSION ON SELF INSURERS, SO AS TO PROVIDE THAT THE COMMISSION SHALL RETAIN A PORTION OF THE ANNUAL MAINTENANCE TAX REVENUE TO PAY THE SALARIES AND EXPENSES OF THE COMMISSION AND TO PROVIDE THAT THE COMMISSION SHALL RETAIN ONE-HALF OF THE INTEREST CHARGED ON DELINQUENT MAINTENANCE TAX FOR THE SAME PURPOSE.

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

SECTION 1. Section 42‑5‑190 of the 1976 Code, as last amended by Act 153 of 1989, is further amended to read:

“Section 42‑5‑190. Every employer carrying his own risk under the provisions of Section 42‑5‑20 shall report under oath to the ~~South Carolina Workers’ Compensation~~ Commission ~~his~~ the employer’s actual cost incurred under the provisions of this title. The report must be made in the form prescribed by the commission by the fifteenth day of the third month following the close of the self‑insurer’s fiscal year. The commission shall assess against the actual cost incurred a maintenance tax computed by taking ~~four~~ two and one‑half percent of the actual cost of operating under the provisions of this title as determined by the commission. ~~For fiscal year 1990‑91, the maintenance tax is at the rate of three and one‑half percent. For fiscal year 1991‑92 and thereafter, the maintenance tax is at the rate of two and one‑half percent.~~ The assessments must be paid to the commission which~~, in turn, shall deposit them with the State Treasurer~~ shall retain in every fiscal year the greater of fifty percent or two million two hundred thousand dollars of the maintenance tax revenues and use these funds to pay the salaries and expenses of the commission. The balance of the maintenance tax revenues must be remitted to the State Treasurer for the credit of the general fund of the State. In the event of failure to pay the tax within fifteen days of the date set forth in this section, the commission may assess against the self‑insurer a penalty of five percent of the unpaid tax. If the self‑insurer fails to pay the tax and penalty within fifteen days of notice by the commission, interest must be added to the amount of the deficiency at the rate of five percent for each month or fraction of a month from the date the tax was due originally until the date the deficiency is paid and the commission may initiate proceedings to withdraw the privilege of self‑insuring in this State. The total maximum interest to be charged may not exceed twenty‑five percent. The penalty under this section is payable to the commission. Fifty percent of the interest must be retained by the commission and used by it as retained maintenance tax revenues are used and the balance of the interest must be remitted to the State Treasurer for the credit of the general fund of the State.”

SECTION 2. This act takes effect July 1, 2013.

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