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COMMITTEE REPORT

February 11, 2016

**H. 4328**

Introduced by Rep. White

S. Printed 2/11/16--H.

Read the first time June 3, 2015.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 4328) to amend Section 12‑8‑1530, Code of Laws of South Carolina, 1976, relating to the quarterly income tax withholdings, so as to change the due date, etc., respectfully

**REPORT:**

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

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill will have no expenditure or revenue impact on the general fund, federal funds, or other funds.

**Explanation of Fiscal Impact**

**State Expenditure**

The Department of Revenue indicates that this bill will have no expenditure impact on the general fund, federal funds, or other funds.

**State Reve**n**ue**

This bill changes the due date of the fourth quarter income tax withholding return from the last day in February to the last day in January. The bill also changes the due date for W-2 forms and the annual withholding recapitulation and reconciliation report to the last day in January. These proposed South Carolina date changes correspond with current federal due date requirements for employers’ annual reports for federal unemployment tax withholdings, withheld federal income tax, and Form W-2 wage, tips, and other compensation paid to employees. We expect no revenue impact over a fiscal year period from changing the South Carolina return due dates.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 12‑8‑1530, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE QUARTERLY INCOME TAX WITHHOLDINGS, SO AS TO CHANGE THE DUE DATE OF THE FOURTH QUARTER RETURN FROM THE LAST DAY OF FEBRUARY TO THE LAST DAY OF JANUARY; AND TO AMEND SECTION 12‑8‑1550, RELATING TO THE DUE DATE FOR FILING STATEMENTS REGARDING INCOME TAX WITHHOLDINGS WITH THE DEPARTMENT OF REVENUE, SO AS TO CHANGE THE DUE DATE FROM THE LAST DAY OF FEBRUARY TO THE LAST DAY OF JANUARY.

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

SECTION 1. Section 12‑8‑1530(A) of the 1976 Code is amended to read:

“(A) A withholding agent shall file a quarterly return in a form prescribed by the department indicating the total amount withheld pursuant to this chapter during the calendar quarter. The return must be filed even in quarters when no income tax has been withheld. The return must be filed on or before dates required for filing federal quarterly withholding returns specified in Internal Revenue Code Section 6071 and Internal Revenue Code Regulation Section 31.6071(a)(1), except the fourth quarter return. The fourth quarter return is due on or before the last day of ~~February~~ January following the calendar year of the withholding.”

SECTION 2. Section 12‑8‑1550(A) of the 1976 Code is amended to read:

“(A) On or before the last day of ~~February~~ January following the calendar year of the withholding, the following items must be filed with the department:

(1) the original copy of the statement required by Section 12‑8‑1540;

(2) a recapitulation and reconciliation of taxes withheld and paid in the form the department prescribes.”

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

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