~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

April 3, 2018

**H. 4021**

Introduced by Rep. Finlay

S. Printed 4/3/18--H.

Read the first time March 22, 2017.

**A** **BILL**

TO AMEND SECTION 12‑36‑2120, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM THE STATE SALES TAX, SO AS TO EXEMPT CERTAIN FUEL AND ELECTRICITY USED IN PERISHABLE PREPARED FOOD MANUFACTURING AND TO EXEMPT CERTAIN CLOTHING WORN AT PERISHABLE PREPARED FOOD MANUFACTURING FACILITIES.

Amend Title To Conform

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

SECTION 1. Section 12‑36‑2120(18) and (54) of the 1976 Code, as last amended by Act 69 of 2015, is further amended to read:

“(18) fuel used exclusively to cure agricultural products, and fuel and electricity used in perishable prepared food manufacturing, as defined in the North American Industry Classification System (NAICS) 311991, including processing, packaging, and storage, to comply with the Food Safety Modernization Act of 2011, including without limitation, fuel and electricity used for freezing, dehydration, heat processing, acidification, and refrigeration at forty‑five degrees Fahrenheit or below, used to ensure that mechanical breakdowns, time delays, temperature fluctuation, and other factors do not contribute to the decomposition, deterioration, or contamination of food;

(54) clothing and other attire required for working in a Class 100 or better as defined in ~~Federal Standard~~ ~~209E~~ International Organization for Standardization (ISO) 14644‑1 clean room environment, and clothing required by Current Good Manufacturing Practices (cGMPs) pursuant to 21 C.F.R. Section 111.10, as it may be amended, at perishable prepared food manufacturing facilities defined by the North American Industry Classification System (NAICS) 311991 to prevent health hazards, including outer garments, gloves of an impermeable material, hairnets, headbands, beard covers, caps, hair covers or other effective hair restraints, and other attire required pursuant to 21 C.F.R. Section 110.10 for persons working in direct contact with food, food contact services, and food packaging materials to protect against contamination of food in perishable prepared food manufacturing facilities;”

SECTION 2. A. Section 12‑20‑20(B) of the 1976 Code is amended to read:

“(B) Unless otherwise provided, corporations shall file an annual report on a form prescribed by the department on or before the date for filing the income tax return as provided in Section 12‑6‑4970. Any other entity subject to a license fee in this chapter must file an annual report on or before the fifteenth day of the fourth month following the close of the taxable year.”

B. This SECTION takes effect upon approval by the Governor and applies to tax years beginning after 2017.

SSECTION 3. Section 12-36-2120 of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( )(a) incontinence supplies and related home medical supplies:

(i) as defined under federal and state Medicaid or Medicare laws;

(ii) which are paid directly by funds of this State or the United States under the Medicaid or Medicare programs, where state or federal law or regulation authorizing the payment prohibits the payment of the sale or use tax; and

(iii) sold by a person engaged in the business of selling such equipment and supplies at retail who holds a South Carolina retail sales license.

(b) This exemption only applies to sales to individuals and does not apply to sales to hospitals, infirmaries, nursing homes, and similar institutions, and medical doctors, dentists, and other medical professionals.”

SECTION 4. A. Section 12‑43‑335(A) of the 1976 Code is amended by adding appropriately numbered items to read:

“(7) Sector 11, subsectors 111, 112, 113, 114, and 115, unless exempt;

(8) Sector 52, subsectors 522, 523, 524, and 525; Sector 53, subsectors 531 and 533; and Sector 55, subsector 551, unless exempt.

(9) Sector 51, subsector 512; Sector 54, subsector 541; Sector 61, subsector 611; Sector 62, subsectors 621, 622, 623, and 624; Sector 71, subsector 712; Sector 72, subsector 721; and Sector 81, subsectors 813 and 814, unless exempt.”

B. Section 12‑39‑70 of the 1976 Code is repealed.

C. This SECTION takes effect upon approval by the Governor and applies to property tax returns due after December 31, 2020.

SECTION 5. A Chapter 54, Title 12 of the 1976 Code is amended by adding:

“Section 12‑54‑265. Notwithstanding any other provision of law, the department may submit to a financial institution, as defined in Section 63‑17‑2310(A)(2), information that identifies a debtor named on a warrant for distraint that has been issued and filed by the department or whose debt has been submitted to the department for collection under the provisions of Section 12‑4‑580. For purposes of debts named on warrants for distraint, the debt must be at least one hundred eighty days old from the date of assessment. The department may submit the information to the financial institution on a quarterly basis or, with the agreement of the financial institution, on a more frequent basis. A financial institution that receives the information must conduct a data match. The financial institution must then provide to the department, in a manner and form prescribed by the department, information concerning the debtor for purposes of collecting outstanding debts. The information provided to the department must include, but is not limited to, the information required pursuant to Section 63‑17‑2320(A). The financial institution must be paid a reasonable fee out of the collected funds not to exceed actual cost.”

B. This SECTION takes effect upon approval by the Governor.

SECTION 6. Except where provided otherwise, this act takes effect January 1, 2019.

‑‑‑‑XX‑‑‑‑