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THE STATE OF SOUTH CAROLINA
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OPINION NO. 85-23 p16

June 4, 1985

SUBJECT: Taxation and Revenue

SYLLABUS: Merchants are required to return inventory to the South Carolina Tax Commission and the exemption by § 16(J) of the permanent provisions of Act 512, Acts of 1984, is limited to that inventory.

TO: Honorable Michael L. Horton
Senior Assistant Comptroller General

FROM: Joe L. Allen, Jr.
Chief Deputy Attorney General

QUESTION: Is the exemption provided by § 16(J) of the permanent provisions of Act 512, Acts of 1984, limited to the inventory of merchants that are required to return the inventory to the South Carolina Tax Commission.

APPLICABLE LAW: § 16(J) of the permanent provisions of Act 512, Acts of 1984, and § 12-37-970 of the South Carolina Code of Laws.

DISCUSSION:

A merchant is required by § 12-37-970 to return inventory, equipment and furniture to the South Carolina Tax Commission. The Commission is required under the same section to value and assess the inventory, equipment and furniture. The exemption provided by the 1984 Act is for the inventory returned to, valued and assessed by the South Carolina Tax Commission. The legislative declaration thereon is clear. The exemption is conditioned, among other things, upon the timely filing of the return with the South Carolina Tax Commission. The specific language is that:

" * * *. The exemption provided in this section is not allowed if the return is received by the Commission after the date due * * *."

The South Carolina Tax Commission is further required to notify the County Auditor of the fair market value of the inventory.

Honorable Michael L. Horton
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CONCLUSION:

Merchants are required to return inventory to the South Carolina Tax Commission and the exemption by § 16(J) of the permanent provisions of Act 512, Acts of 1984, is limited to that inventory.

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