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SC INFORMATION LETTER #90-20

TO: Vicki Jinnette Ringer  
Public Information Director

FROM: Sally Major, Tax Analyst  
Tax Policy and Procedures Department

DATE: July 6, 1990

SUBJECT: Update of Definition of Internal Revenue Code  
(Income and Estate Tax and Withholdings)

REFERENCE: S.C. Code Ann. Section 12-7-20(11) (As Amended June, 1990)  
S.C. Code Ann. Section 12-16-20(5) (As Amended June, 1990)  
S.C. Code Ann. Section 12-9-390 (As Amended June, 1990)

AUTHORITY: S.C. Code Ann. Section 12-3-140 (1976)  
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

Effective for taxable years beginning after 1989, S.C. Code Section 12-7-20(11) is amended such that the term "Internal Revenue Code" means the Internal Revenue Code of 1986 as amended through December 31, 1989.

Additionally, effective June 13, 1990, S.C. Code Section 12-16-20(5) is also amended such that the term "Internal Revenue Code" means the Internal Revenue Code of 1986 as amended through December 31, 1989. The amendment to S.C. Code Section 12-16-20 does not change the effective date of Chapter 16 of Title 12 of the S.C. Code. Section 10 of Act 70 of 1987 provides that Chapter 16 of Title 12 is effective with respect to decedents dying after June 30, 1991, except Article 7, Tax on Generation-Skipping Transfers, is effective for transfers occurring after October 22, 1986.

S.C. Code Section 12-9-390 is amended with respect to withholding payments required after June 30, 1990. Prior to the amendment, withholdings were remitted relying on provision of the Internal Revenue Code of 1954, as amended through December 31, 1983, and applicable regulations effective as of December 31, 1983. The amendment requires that these amounts be remitted relying on the provisions of the Internal Revenue Code of 1986, as amended through December 31, 1989, and applicable regulations effective of December 31, 1989.