



SC INFORMATION LETTER #94-23 (TAX)

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Corporate License Fee

DATE: September 12, 1994

SUPERSEDES: SC Technical Advice Memorandum #89-7

REFERENCE: S. C. Code Ann. Section 12-19-70

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1993)
SC Revenue Procedure #94-1

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On July 27, 1994, the Commission determined that all unincorporated associations that are taxed for South Carolina income tax purposes as a corporation and required to file a corporate return are, also, now required to pay a corporate license fee.

This change results from the recently enacted definition of "corporation" contained in Code Section 12-2-25(3). This definition provides that a corporation "includes a limited liability company or professional or other association taxed for South Carolina income tax purposes as a corporation". This amendment was effective June 16, 1994.

For existing associations, this new requirement is effective for tax years ending on or after June 30, 1994. Associations formed after June 16, 1994, the effective date of the amendment, are required to complete the initial annual report of corporations and pay the initial license fee with the Department of Revenue upon formation.