

SC INFORMATION LETTER #96-1 (TAX)

**SUBJECT:** ADMINISTRATIVE PRONOUNCEMENT  
Owner/Operator Licenses  
(Coin-Operated Device)

**DATE:** January 8, 1996

**SUPERSEDES:** All previous documents and any oral directives in conflict herewith.

**REFERENCE:** S. C. Code Ann. Section 12-21-2806 (Supp. 1994)  
S. C. Code Ann. Section 12-21-2728 (Supp. 1994)

**AUTHORITY:** S.C. Code Ann. Section 12-4-320 (Supp. 1994)  
SC Revenue Procedure #94-1

**SCOPE:** An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements are **official advisory opinions** of the Department.

**NOTICE TO ALL OWNERS AND OPERATORS  
OF VIDEO GAMING MACHINES**

Code Section 12-21-2806 of the Video Game Machines Act authorized a county by county referendum to determine if cash payouts related to video game machines would be continued in each of the State's 46 counties.

If a majority of the qualified electors in a county voted against cash payouts, such payouts would become illegal in the county effective July 1, 1995. As a result of the referendum, the following twelve counties voted against cash payouts:

Abbeville	Greenwood
Aiken	Lancaster
Anderson	Oconee
Cherokee	Pickens
Chester	Union
Chesterfield	York

Code Section 12-21-2806 also authorized refunds as follows:

If a majority of the qualified electors within a county vote to terminate cash payoffs for credits earned on coin-operated devices after July 1, 1995, the Tax Commission shall refund to any person holding a license for the operation of coin-operated devices, on a prorata basis, the portion of any license fees previously paid the commission for licenses which extend beyond July 1, 1995.

Since July 1, 1995, the Department of Revenue has issued refunds for many Type III machine licenses. Many taxpayers also decided not to seek a refund of these licenses but to move the machines to which these licenses are attached to a county that voted in favor of cash payouts.

The question has now arisen as to whether the above code section authorizes a refund of the license fee paid for an owner/operator license. Code Section 12-21-2728 requires a person who owns or operates a video game machine to obtain an owner/operator's license.

The Department, upon review of the statute, has determined that Code Section 12-21-2806 authorizes a prorata refund of the owner/operator license fee, provided that the person seeking the refund was only operating video game machines in one or more of the twelve counties that voted to terminate cash payouts. The statute does not authorize a refund of the owner/operator license fee to any person who prior to seeking a refund has operated video game machines in any of the thirty-four counties that voted in favor of cash payouts.

Persons seeking a refund of the fee paid for an owner/operator license pursuant to this information letter should contact one of the following Department of Revenue Taxpayer Service Centers:

Aiken	(803) 641-7685	Greenville	(803) 241-1200
Beaufort	(803) 524-2852	Myrtle Beach	(803) 293-6550
Charleston	(803) 852-3600	Rock Hill	(803) 324-7641
Columbia	(803) 737-4602	Spartanburg	(803) 594-4900
Florence	(803) 661-4850		