



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 12265, Columbia, South Carolina 29211

SC REVENUE RULING 15-13

SUBJECT: Debt Setoff and GEAR Procedures
(Administrative)

EFFECTIVE DATE: December 1, 2015

SUPERSEDES: Revenue Procedural Bulletin # 02-2 and all previous documents and any oral directives in conflict herewith.

REFERENCE: S.C. Code Ann. Section 12-4-580 (2014)
S.C. Code Ann. Section 12-56-10, *et seq.* (2014)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
SC Revenue Procedure #09-3

SCOPE: The purpose of a Revenue Ruling is to provide guidance to the public. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Departmental advisory opinion.

Under the Setoff Debt Collection Act of Chapter 56 of Title 12 ("Debt Setoff") and the Governmental Enterprise Accounts Receivable Collections Program in Code Section 12-4-580 ("GEAR"), the Department is authorized to assist in the collection of liabilities due other governmental entities or claimant agencies. Through these collection tools, the Department may garnish South Carolina income tax refunds or wages, file tax liens, levy on bank accounts or revoke a debtor's business license. Due process requirements exist.

The Department has developed a "Governmental Entity Collection Programs Guide" to provide governmental entities, debtors, and other parties who may be affected by the collection program information and conditions about the administration of the program, including program registration, notice and hearing requirements and sample notices to debtors. This information is available on the Department's website at www.dor.sc.gov under the "Local Government" menu. This updated information on the Department's website provides the most up-to-date information concerning these programs. Accordingly, SC Revenue Procedural Bulletin #02-2 is no longer needed and is withdrawn.

Questions concerning the program should be directed to the Department at 803-898-5755 or to SetoffDebt@dor.sc.gov.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Rick Reames III
Rick Reames III, Director

December 2, 2015
Columbia, South Carolina