
State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

SC REVENUE PROCEDURE #97-5

SUBJECT: Qualified Private Delivery Services - Timely Filing or Payment

EFFECTIVE DATE: February 25, 1997

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

REFERENCE: S. C. Code Ann. Section 12-60-50 (Supp. 1996)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1996)
SC Revenue Procedure #94-1

SCOPE: A Revenue Procedure is a statement which provides information of a procedural nature. It is valid and remains in effect until superseded or modified by a change in the statute or regulations or a subsequent court decision, Revenue Procedure or Revenue Ruling.

Internal Revenue Code Section 7502 relating to the “timely mailing as timely filing and paying” rule to documents and payments delivered by United States mail was amended to add subsection (f). Section 7502(f) authorizes the Internal Revenue Service to expand the rule to documents and payments delivered by certain private delivery services.

South Carolina Code Section 12-60-50(B) was added to provide that the provisions of Internal Revenue Code Section 7502 are applicable to returns, other documents, or payment of taxes imposed by Title 12, except where payment of taxes is required to be made in funds which are immediately available to the State by electronic funds transfer.

On February 24, 1997, the Internal Revenue Service released Revenue Procedure 97-19, 1997-10 I.R.B. 55 establishing criteria and application procedures for designation of private delivery services under Internal Revenue Code Section 7502(f)(2) during the interim period. (The interim period is the period beginning on February 25, 1997, and ending on the date on which the Internal Revenue Service issues guidance superseding Revenue Procedure 97-19.)

On April 10, 1997, the Internal Revenue Service issued Notice 97-29 which provides the first list of designated private delivery services that taxpayers may use to file returns and have the assurance that a timely mailing will be treated as a timely filing. Also, this notice contains special rules for determining the date that will be treated as the postmark for purposes of Section 7502. (See pages 3 through 7 of the attached Notice 97-29 for a discussion of these special rules.)

The four companies and the specific types of delivery services that qualify under Notice 97-29 are:

1. Airborne Express (Airborne): overnight air express service; next afternoon service; and second day service
2. DHL Worldwide Express (DHL): DHL “same day” service and DHL USA overnight
3. Federal Express (FedEx): FedEx priority overnight; FedEx standard overnight; and FedEx 2nd day
4. United Parcel Service (UPS): UPS next day air; UPS next day air saver; UPS 2nd day air; and, UPS 2nd day air a.m.

Airborne, DHL, FedEx, and UPS are not designated with respect to any type of delivery service not identified above. Consequently, the “timely mailing as timely filing and paying” rule does not apply to any other type of delivery service offered by the designated private delivery services. If taxpayers use a business that provides mailing services of a designated private delivery service, but the business itself is not a designated private delivery service, taxpayers should be aware that the “timely mailing as timely filing and paying” rule will not apply unless an item is actually given to, or picked up by, a designated delivery service on or before the due date.

Designation under Notice 97-29 is effective until the Internal Revenue Service issues a revised list. On or before September 1 and March 1 of each year of the interim period, the Internal Revenue Service will issue other notices that provide a revised list of designated delivery services.

For South Carolina tax purposes, the Department of Revenue will treat the delivery of a return, other documents, or payment of taxes to private delivery services which are designated by the Internal Revenue Service pursuant to Revenue Procedure 97-19 as qualified private delivery services as qualifying for the “timely mailing as timely filing and paying” rule as provided in South Carolina Code Section 12-60-50(B). Note, however, these designations by the Internal Revenue Service do not apply where payment of taxes is required to be made in funds which are immediately available to the State by electronic funds transfer or otherwise. The Department will not accept applications to

request designations as private delivery services or approve such designations. If the Internal Revenue Service revokes the designation, the Department of Revenue will no longer treat the private delivery service as qualifying.

A copy of Revenue Procedure 97-19 and a copy of Notice 97-26 are attached. Revenue Procedure 97-19 is effective February 25, 1997. Notice 97-26 is effective for documents and payments that are given by taxpayers to a designated private delivery service on or after April 11, 1997.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Burnet R. Maybank III
Burnet R. Maybank III, Director

Columbia, South Carolina
April 21, 1997