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

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SC REVENUE PROCEDURE #99-2 (TAX)

**SUBJECT:** Tax Relief for Persons Serving in “Operation Allied Force”

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

**REFERENCE:** House Bill 749

**AUTHORITY:** S.C. Code Section 12-4-320 (Supp. 1998)  
SC Revenue Procedure #97-8

**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 It is valid and remains in effect until superseded or modified by a change in the statute or regulations or a subsequent court decision, Revenue Procedure, or Revenue Ruling.

On April 13, 1999, the President of the United States declared Yugoslavia, Albania, the Adriatic Sea, and the northern Ionian Sea a combat zone (“combat zone”) and provided special tax relief for military personnel. See P.L. 106-21. H.R. 1376. On June 1, 1999, South Carolina’s General Assembly enacted a joint resolution that authorizes the Department to establish special tax relief procedures and assistance programs to assist military personnel serving in Operation Allied Force and their spouses that are similar to those allowed by the Internal Revenue Service.

Extension of Time to File and Pay Taxes:

The Department has extended the time for filing and paying the 1998 individual income taxes of affected military personnel and their spouses until 180 days after they leave the combat zone, plus the number of days they were there during the tax filing season after the air strikes began on March 24, 1999. These tax relief provisions also apply during any period of hospitalization resulting from injuries or illness incurred while serving in the combat zone.

Documentation Required Upon Filing of a Return:

A taxpayer filing a return extended under the provisions of this document should attach to the front of the return a copy of his or her military orders establishing participation in Operation Allied Force. Further, “Operation Allied Force” should be written across the top of the tax return.

Penalties and Interest:

The Department will waive any penalties and interest due as a result of any extensions or suspension of collection activities granted under this document. Penalties and interest due as the result of the failure to pay estimated taxes will be waived for any estimated taxes due while the individual taxpayer is participating in Operation Allied Force.

Penalties and interest will be assessed, however, if the income tax returns are not filed or taxes paid by the extended due date authorized by the Department. The Department will review all other tax liabilities with respect to penalties and interest on a case by case basis.

If a taxpayer is inadvertently assessed failure to file or pay penalties or interest which are waived pursuant to this document, the taxpayer should submit a request for waiver in writing. The request and any documentation should be sent to:

Problems Resolution Office  
P.O. Box 11189  
Columbia, South Carolina 29211-1189  
Attn: Operation Allied Force

Collection Activities:

The Department will suspend the enforced collection of any assessed liability of a taxpayer participating in Operation Allied Force during the time period the taxpayer is serving in Operation Allied Force if the assessed liability is: (1) the sole obligation of the taxpayer or (2) the joint obligation of the taxpayer and his or her spouse. The Department will review all other tax liabilities with respect to the possible suspension of enforced collections on a case by case basis.

The Department will reinstate collection activities of any assessed liabilities suspended pursuant to this document within a reasonable time after the taxpayer returns from service in the combat zone, but no sooner than 180 days beyond the period of service in the combat zone.

Combat Pay:

South Carolina has adopted Internal Revenue Code Section 112 which excludes certain combat pay from the definition of "gross income." To the extent that combat pay is exempt from federal income tax, the combat pay will also be exempt from South Carolina income tax.

Taxpayer Assistance:

Other tax matters concerning military persons and their families affected by Operation Allied Force will be reviewed by the Department on a case by case basis.

Additional tax assistance may be obtained at the Department's Taxpayer Service Centers listed below.

Aiken	410 Barnwell Street N.W.	(803) 641-7685
Beaufort	Carolina Cove Executive Ctr Suite 112	(843) 524-2852
Charleston	3 Southpark Circle Suite 202	(803) 852-3600
Columbia	301 Gervais Street	(803) 898-5000
Florence	1452 West Evans Street	(843) 661-4850
Greenville	211 Century Drive	(864) 241-1200
Myrtle Beach	141 McDonalds Court	(843) 293-6550
Rock Hill	454 S. Anderson Rd., Suite 202	(803) 324-7641
Spartanburg	Hillcrest Offices, Suite 475	(864) 594-4900

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/ Elizabeth Carpentier  
Elizabeth Carpentier, Director

August 9, 1999  
Columbia, South Carolina