



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

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

SC INFORMATION LETTER #20-22 (Revised)

SUBJECT: Tax Appeal Process and Procedures - Information Guides
(All Tax Matters Administered by the Department)

DATE: July 30, 2020

REFERENCE: Chapter 60, Title 12 (2014 and Supp. 2019)
SC Revenue Procedure #20-1

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (2005)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

SC Revenue Procedure #20-1, "Department of Revenue Internal Tax Appeals Process and Procedure," was issued on February 21, 2020 to update the Department's internal appeals process for tax matters.

Attached are updated "Information Guides" for each type of tax appeal that briefly explain the procedures outlined in SC Revenue Procedure #20-1. The guides listed below are intended as a quick reference tool for taxpayer's and tax practitioners.

- State Tax Appeal Procedures for State Tax Refund Claims (Other than Property Tax, Bingo, and Alcoholic Beverage Matters);
- State Tax Appeal Procedures for State Tax Assessments including License Revocations and Denials (Other than Property Tax, Bingo, and Alcoholic Beverage Matters);
- State Tax Appeal Procedures for Tax Refund Claims for Property Tax Assessments and Exemptions Administered by the Department of Revenue; and
- State Tax Appeal Procedures for State Property Tax Assessments and Property Tax Exemptions Administered by the Department of Revenue.

INFORMATION GUIDE

State Tax Appeal Procedures for State Tax Refund Claims (Other Than Property Tax, Bingo, and Alcoholic Beverage Matters)



**South Carolina
Department of
Revenue**

CID-25 (Rev. 7/21/20)

PURPOSE

This information guide explains the South Carolina Tax Appeals Procedure for State Tax Refund Claims (Other than Property Tax, Bingo, and Alcoholic Beverage Matters).

I. Initial Process

- A. You may seek a refund of any state tax paid (other than a property tax) by filing a written claim for refund with the Department of Revenue ("Department").
- B. Your refund claim must contain:
 - a. your name, mailing address, and telephone number;
 - b. the appropriate taxpayer identification number or numbers;
 - c. the tax period or date for which the tax was paid;
 - d. the nature and kind of tax paid;
 - e. the amount which you claim was erroneously paid;
 - f. a statement of facts supporting your position;
 - g. a statement outlining the reasons for the refund claim, including any law or other authority upon which you rely; and
 - h. any other relevant information the Department may reasonably require.

In most instances, only the person who is legally liable for the tax may file a refund claim.

- C. As a general rule, the refund claim must be filed within three years of the time the return was filed or two years from the date the tax was paid, whichever occurs later. If no return was filed, a claim for refund must be filed within two years from the date the tax was paid.
- D. The appropriate division of the Department will decide what refund, if any, is due and give you written notice of its decision.
- E. If your claim for refund is denied, you can appeal by filing a written protest with the Department. The protest must be filed within 90 days from the date of the written denial of the refund claim. The protest must contain the information the refund claim is required to include.
- F. During the appeals process, you may represent yourself or you may be represented by the same persons who may participate in the administrative tax process under Section 12-60-90 of the South Carolina Code. This includes, but is not limited to, attorneys, certified public accountants, enrolled agents, and officers of a corporation.

II. Review by the Department and Conferences with the Department

- A. If you file a protest, the division within the Department that denied the refund claim will acknowledge receipt of the protest in writing and provide you with information as to how to request a division meeting to discuss the protest and your refund claim. If you want to request a division meeting, you must do so within 30 days of the date of the acknowledgement letter. If you request a division meeting, the division will make every attempt to hold the meeting within 60 days of the date of the acknowledgement letter. The purpose of the meeting is for you and the division representative to discuss the facts and issues, to allow you to present any additional information or authority supporting your position, and to resolve the appeal if possible. The meeting may be conducted by telephone if you and the division agree. After the meeting, if your appeal has not been resolved and you wish to continue with the appeal, your protest and file will be forwarded to the Appeals Section of the Department.
- B. The Appeals Section will conduct a substantive review of your appeal and will offer you a conference. The conference may be conducted by telephone if you and the Appeals Section agree. The purpose of the conference is for you and the Appeals Section to discuss the appeal, agree on a preliminary stipulation of facts and issues, and resolve the appeal if possible.
- C. If your appeal is not resolved after the Appeals Section conference and review, and you choose to go forward on the appeal, your protest and file will be forwarded to the General Counsel for Litigation.
- D. A department representative within the General Counsel for Litigation's Office will conduct a substantive review of the protest and file. If you or the department representative believe a conference would help resolve the matter, a conference will be held. The conference may be conducted by telephone if you and the department representative agree. If the appeal is not resolved, the department representative will prepare a written department determination addressing the issues raised in your appeal.

The department determination will be mailed or delivered to you and, generally, must be issued within one year of your filing of the protest.

III. Request for a Contested Case Hearing

- A. If you disagree with the department determination, you may request a contested case hearing before the Administrative Law Court.
- B. If the department determination is not issued timely, the Department will notify you in writing of the right to request a contested case hearing.
- C. The request for a contested case hearing must be made in writing and must be made within 30 days of the date of the department determination or notice. The request must comply with the rules of the Administrative Law Court and include any applicable filing fee. The request must be sent to the Administrative Law Court with a copy sent to the Department.
- D. The rules of the Administrative Law Court will control from this point forward.
- E. If you do not request a contested case hearing within 30 days of the date of the department determination or notice, your refund claim will be deemed denied and no refund of taxes will be issued to you.

INFORMATION GUIDE

State Tax Appeal Procedures for State Tax Assessments including License Revocations and Denials (Other than Property Tax, Bingo, and Alcoholic Beverage Matters)



**South Carolina
Department of
Revenue**

CID-6 (Rev. 7/21/20)

PURPOSE

This information guide explains the South Carolina Tax Appeals Procedure for State Tax Assessments Including License Revocations and Denials (Other than Property Tax, Bingo, and Alcoholic Beverage Matters).

I. Initial Process

- A. You may appeal a proposed assessment made by the Department of Revenue ("Department") by filing a protest within 90 days of the date of the proposed assessment. You may agree with portions of the proposed assessment and disagree with others. The portion of the proposed assessment with which you agree may be paid to avoid additional interest and penalties, and the remainder can be appealed through your protest.

The revocation or denial of a tax license is appealed in the same manner as a proposed assessment.

- B. Your protest must be in writing and must contain, as applicable:
 - a. your name, mailing address, and telephone number;
 - b. the appropriate taxpayer identification number or numbers;
 - c. the tax period or date for which the tax was proposed;
 - d. the nature and kind of tax (or license) in dispute;
 - e. a statement of facts supporting your position;
 - f. a statement outlining the reasons for the protest, including any law or authority upon which you rely; and
 - g. any other relevant information the Department may reasonably prescribe.

You do not need to provide legal or other authority if the total amount of the proposed assessment is less than \$2,500. This does not apply to partnerships, "S" corporations, exempt organizations, or employee plans if the proposed tax is imposed by Chapter 6, 11, or 13 of Title 12.

- C. During the appeals process, you may represent yourself or you may be represented by the same persons who may participate in the administrative tax process under Section 12-60-90 of the South Carolina Code. This includes, but is not limited to, attorneys, certified public accountants, enrolled agents, or officers of a corporation.

II. Review by the Department and Conferences with the Department

- A. If you file a protest, the division within the Department that issued the proposed assessment will acknowledge receipt of the protest in writing and provide you with information as to how to request a division meeting to discuss the protest and your appeal. If you want to request a division meeting, you must do so within 30 days of the date of the acknowledgement letter. If you request a division meeting, the division will make every attempt to hold the meeting within 60 days of the date of the acknowledgement letter. The purpose of the meeting is for you and a division representative to discuss the facts and issues, to allow you to present any additional information or authority supporting your position, and to resolve the appeal if possible. The meeting may be conducted by telephone if you and the division agree. After the meeting, if your appeal has not been resolved and you wish to continue with the appeal, your protest and file will be forwarded to the Appeals Section of the Department.
- B. The Appeals Section will conduct a substantive review of your protest and file and will offer you a conference. The conference may be conducted by telephone if you and the Appeals Section agree. The purpose of the conference is for you and the Appeals Section to discuss the appeal, agree on a preliminary stipulation of facts and issues, and resolve the appeal if possible.
- C. If your appeal is not resolved after the Appeals Section conference and review, and you choose to go forward on the appeal, your protest and file will be forwarded to the General Counsel for Litigation.

A department representative within the General Counsel for Litigation's Office will conduct a substantive review of the protest and file. If you or the department representative believe a conference would help resolve the matter, a conference will be held. The conference may be conducted by telephone if you and the department representative agree. If the appeal is not resolved, the department

representative will prepare a written department determination addressing the issues raised in your appeal. The department determination will be mailed or delivered to you and, generally, must be issued within one year of your filing of the protest.

III. Request for a Contested Case Hearing

- A. If you disagree with the department determination, you may request a contested case hearing before the Administrative Law Court.
- B. If the department determination is not issued timely, the Department will notify you in writing of the right to request a contested case hearing.
- C. The request for a contested case hearing must be made in writing and must be made within 30 days of the date of the department determination or notice. The request must comply with the rules of the Administrative Law Court and include any applicable filing fee. The request must be sent to the Administrative Law Court with a copy sent to the Department.
- D. The rules of the Administrative Law Court will control from this point forward.
- E. If you do not request a contested case hearing within 30 days of the date of the department determination or notice, your proposed tax assessment or the revocation or denial of the license will become final and non-appealable and the Department may begin collecting on the underlying tax debt and/or the applicable license will be revoked or not issued. If you are unable to pay the debt, you may contact the Department about an installment agreement.

INFORMATION GUIDE

State Tax Appeal Procedures for Tax Refund Claims for Property Tax Assessments and Exemptions Administered by the Department of Revenue



**South Carolina
Department of
Revenue**

CID-26 (Rev. 7/21/20)

PURPOSE

This information guide explains the South Carolina State Tax Appeal Procedures for State Tax Refund Claims for Property Tax Assessments and Exemptions administered by the Department.

I. Initial Process

- A. You may seek a refund of any property tax paid attributable to a property tax assessment or property tax exemption administered by the Department of Revenue ("Department") by filing a written claim for refund with the Department. Any county affected by your refund claim will be notified of the filing of the claim for refund.
- B. A refund can only be sought if the Department originally assessed the property or you believe the property is exempt and the Department administers the exemption.
- C. The refund claim must contain:
 - a. your name, mailing address, and telephone number;
 - b. the appropriate taxpayer identification number or numbers;
 - c. the tax period or date for which the tax was paid;
 - d. the nature and kind of tax paid;
 - e. the amount which you claim was erroneously paid;
 - f. the fair market value, special use value (if applicable), and property tax classification of the property you believe correct;
 - g. if the claim involves a property tax exemption, the basis for the exemption;
 - h. a statement of facts supporting your position;
 - i. a statement outlining the reasons for the refund claim, including any law or other authority upon which you rely; and
 - j. any other relevant information the Department may reasonably require.
- D. As a general rule, the refund claim must be filed within three years of the time the return was filed or two years from the date the tax was paid, whichever occurs later. If no return was filed, a claim for refund must be filed within two years from the date the tax was paid.
- E. The appropriate division of the Department will decide what refund, if any, is due and give you written notice of its decision within six months of filing the claim for refund.
- F. If your claim for refund is denied, or you do not receive a response from the Department within six months of filing your refund claim, you can appeal by filing a written protest with the Department. The protest must be filed within 90 days from the date of the written denial of the refund claim or the expiration of

the six-month period. The protest must contain the same information the refund claim is required to include.

- G. During the appeals process, you may represent yourself or you may be represented by the same persons who may participate in the administrative tax process under Section 12-60-90 of the South Carolina Code. This includes, but is not limited to, attorneys, certified public accountants, enrolled agents, and officers of a corporation. A real estate appraiser licensed, registered, or certified under Chapter 60, Title 40, may represent you solely on matters concerning valuation of real property.

II. Review by the Department and Conferences with the Department

- A. If you file a protest, the division within the Department that denied the refund claim will acknowledge receipt of the protest in writing and provide you with information as to how to request a division meeting to discuss the protest and your refund claim. If you want to request a division meeting, you must do so within 30 days of the date of the acknowledgement letter. If you request a division meeting, the division will make every attempt to hold the meeting within 60 days of the date of the acknowledgement letter. The purpose of the meeting is for you and the division representative to discuss the facts and issues, to allow you to present any additional information or authority supporting your position, and to resolve the appeal if possible. The meeting may be conducted by telephone if you and the division agree. After the meeting, if your appeal has not been resolved and you wish to continue with the appeal, your protest and file will be forwarded to the Appeals Section of the Department.
- B. The Appeals Section will conduct a substantive review of your appeal and will offer you a conference. The conference may be conducted by telephone if you and the Appeals Section agree. The purpose of the conference is for you and the Appeals Section to discuss the appeal, agree on a preliminary stipulation of facts and issues, and resolve the appeal if possible.

- C. If your appeal is not resolved after the Appeals Section conference and review, and you choose to go forward on the appeal, your protest and file will be forwarded to the General Counsel for Litigation.
- D. A department representative within the General Counsel for Litigation's Office will conduct a substantive review of the protest and file. If you or the department representative believe a conference would help resolve the matter, a conference will be held. The conference may be conducted by telephone if you and the department representative agree. If the appeal is not resolved, the department representative will prepare a written department determination addressing the issues raised in your appeal. The department determination will be mailed or delivered to you and any affected county and, generally, must be issued within one year of your filing of the protest.

III. Request for a Contested Case Hearing

- A. If you disagree with the department determination, you may request a contested case hearing before the Administrative Law Court. Any applicable local governing body affected by the appeal may also request a contested case hearing.
- B. If the department determination is not issued timely, the Department will notify you, and any affected county in writing of the right to request a contested case hearing.
- C. The request for a contested case hearing must be made in writing and must be made within 30 days of the date of the department determination or notice. The request must comply with the rules of the Administrative Law Court and include any applicable filing fee. The request must be sent to the Administrative Law Court with a copy sent to the Department.
- D. The rules of the Administrative Law Court will control from this point forward.
- E. If you do not request a contested case hearing within 30 days of the date of the department determination or notice, your refund claim will be deemed denied and no refund of taxes will be issued to you.

INFORMATION GUIDE

State Tax Appeal Procedures for State Property Tax Assessments and Property Tax Exemptions Administered by the Department of Revenue



**South Carolina
Department of Revenue**

CID-8 (Rev. 9/3/20)

PURPOSE

This information guide explains the South Carolina Tax Appeals Procedure for Property Tax Assessments and Property Tax Exemptions administered by the Department of Revenue.

I. Initial Process

- A. You may appeal a property tax assessment or the denial of a property tax exemption made by the Department of Revenue ("Department") by filing a protest within 90 days of the date of the property tax assessment or the date of the notice setting forth the denial of the property tax exemption. If you were not sent a property tax assessment notice, you must file your protest within 90 days after the tax notice is mailed to you. You may agree with portions of the property tax assessment and disagree with others.
- B. Your protest must be in writing and must contain, as applicable:
 - a. your name, mailing address, and telephone number;
 - b. the appropriate taxpayer identification number or numbers;
 - c. the tax period or date for which the tax was proposed, the valuation determined, or the applicable property tax exemption is to apply;
 - d. the nature and kind of property tax or exemption in dispute;
 - e. a statement of facts supporting your position;
 - f. a statement of the fair market value (or, if applicable, the special use value) you believe is correct;
 - g. the property tax classification of the property you believe is correct;
 - h. if you claim the property is exempt, the basis on which the exemption is claimed;
 - i. a statement outlining the reasons for the protest, including any law or authority upon which you rely; and
 - j. any other relevant information the Department may reasonably prescribe.
- C. During the appeals process, you may represent yourself or you may be represented by the same persons who may participate in the administrative tax process under Section 12-60-90 of the South Carolina Code. This includes, but is not limited to, attorneys, certified public accountants, enrolled agents, and officers of a corporation. A real estate appraiser licensed, registered, or certified under Chapter 60, Title 40, may represent you solely on matters concerning valuation of real property.

II. Review by the Department and Conferences with the Department

- A. If you file a protest, the division within the Department that issued the property tax assessment or denied the exemption will notify any affected county of your protest and acknowledge receipt of the protest in writing and provide you with information as to how to request a division meeting to discuss the protest and your appeal. If you want to request a division meeting, you must do so within 30 days of the date of the acknowledgement letter. If you request a division meeting, the division will make every attempt to hold the meeting within 60 days of the date of the acknowledgement letter. The purpose of the meeting is for you and a division representative to discuss the facts and issues, to allow you to present any additional information or authority supporting your position, and to resolve the appeal if possible. The meeting may be conducted by telephone if you and the division agree. After the meeting, if your appeal has not been resolved and you wish to continue with the appeal, your protest and file will be forwarded to the Appeals Section of the Department.
- B. The Appeals Section will conduct a substantive review of your protest and file and will offer you a conference. The conference may be conducted by telephone if you and the Appeals Section agree. The purpose of the conference is for you and the Appeals Section to discuss the appeal, agree on a preliminary stipulation of facts and issues, and resolve the appeal if possible.
- C. If your appeal is not resolved after the Appeals Section conference and review, and you choose to go forward on the appeal, your protest and file will be forwarded to the General Counsel for Litigation.
- D. A department representative within the General Counsel for Litigation's Office will conduct a substantive review of the protest and file. If you or the department representative believe a conference would help resolve the matter, a conference will be held. The conference may be conducted by

telephone if you and the department representative agree. If the appeal is not resolved, the department representative will prepare a written department determination addressing the issues raised in your appeal. The department determination will be mailed or delivered to you and any affected county and, generally, must be issued within one year of your filing of the protest.

III. Request for a Contested Case Hearing

- A. If you disagree with the department determination, you may request a contested case hearing before the Administrative Law Court. Any applicable local governing body affected by the appeal may also request a contested case hearing.
- B. If the department determination is not issued timely, the Department will notify you and any affected county in writing of the right to request a contested case hearing.
- C. The request for a contested case hearing must be made in writing and must be made within 30 days of the date of the department determination or notice. The request must comply with the rules of the Administrative Law Court and include any applicable filing fee. The request must be sent to the Administrative Law Court with a copy sent to the Department.
- D. The rules of the Administrative Law Court will control from this point forward.
- E. If you do not request a contested case hearing within 30 days of the date of the department determination or notice, your property tax assessment, or exemption denial, will become final and non-appealable.