



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 #15-6

SUBJECT: Expiration of Tax Liens
(All Taxes)

EFFECTIVE DATE: Applies to all periods open under the statute.

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

REFERENCE: S.C. Code Ann. Section 12-54-120 (2014)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (Supp. 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 It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Departmental advisory opinion.

Question:

Is a tax lien filed by the Department of Revenue valid until the applicable assessment is paid or does a tax lien expire after a period of time?

Conclusion:

A tax lien filed by the Department of Revenue expires ten years after it is filed with a clerk of court or register of deeds. Upon expiration, the tax lien is no longer enforceable in any manner and ceases to be an encumbrance upon any property of the affected taxpayer.

Discussion:

Code Section 12-54-120 concerns tax liens, and states:

(A)(1) If a person liable to pay a tax neglects or refuses to pay it after demand, the amount of the tax, including interest, additional tax, addition to tax, or assessable penalty, plus accrued costs, is a lien in favor of the Department of Revenue on all property and rights to property, real or personal, tangible or intangible, belonging to the person.

(2) This lien:

(a) is referred to as a "tax lien";

(b) is effective on the date of the assessment of the tax;

(c) allows an authorized agent of the department to seize, levy on, and sell the property of the person for the payment of the amount due, with added penalties, interest, and costs of executing on the lien, and to pay the money collected to the department;

(d) extends to bank deposits, choses in action, and all other property incapable of manual levy or delivery; and

(e) continues for ten years from the date of filing.

(3) "Demand", as used in this section, means an assessment by the department.

(B) This tax lien and the limitations in Section 12-54-122 are in addition to all other liens or remedies in favor of the department and does not affect any other lien or remedy.

(C) The department, in addition to other remedies for enforcement of its tax lien, retains all remedies available to a judgment. (Emphasis added.)

Based on the above, a tax lien is effective on the date of the assessment by the Department and expires ten years after the tax lien is filed with a clerk of court or register of deeds. Upon expiration, the tax lien is no longer enforceable in any manner and ceases to be an encumbrance upon any property of the affected taxpayer.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Rick Reames III

Rick Reames III, Director

June 25, 2015
Columbia, South Carolina