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State of South Carolina  
**Department of Revenue**  
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SC INFORMATION LETTER #08-12

**SUBJECT:** Tax Legislative Update for 2007 – Supreme Court Opinion

**DATE:** June 24, 2008

**AUTHORITY:** S. C. Code Ann. Section 12-4-320 (2000)  
S.C. Code Ann. Section 1-23-10(4) (Supp. 2006)  
SC Revenue Procedure #05-2

**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.

On June 23, 2008, the South Carolina Supreme Court issued an opinion in *The South Carolina Public Interest Foundation, et al vs. Robert W. Harrell, Jr., et al*, Opinion No. 26506 concerning whether certain acts passed by the General Assembly in 2007 violate the one subject rule of the South Carolina Constitution, Article III, §17. The Court reviewed Act Nos. 49, 83, 110, and 116.

On August 31, 2007, the Department issued SC Information Letter #07-16 summarizing most of the significant changes in tax and regulatory laws administered by the Department that were enacted during the 2007 legislative session. It provides a summary by subject matter and provides cross references where more than one bill with identical or related subject matters were ratified by the General Assembly.

The Court upheld the majority of the tax sections in question. The sections summarized in SC Information Letter #07-16 that were ruled unconstitutional and severed in Act No. 83 are §5 (certain credits of large manufacturers – withholding taxes), §6 (amusement park rides, machinery and equipment – new exemption), and §8 (Venture Capital Tax Credit Certificates – Revised), and the section ruled unconstitutional and severed from Act No. 116 is §11 (increase in number of wine tastings allowed). Since identical provisions in these sections were enacted in other Acts, this decision does not effect the legislation summarized in South Carolina Information Letter #07-16. A copy of the Supreme Court decision can be obtained from the Supreme Courts website at [www.judicial.state.sc.us](http://www.judicial.state.sc.us).