



301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #89-2

TO: Vicki Jinnette

FROM: John Swearingen, Manager
Tax Policy and Procedures Department

DATE: February 10, 1989

SUBJECT: Short Period Returns; Trusts

REFERENCE: S.C. Code Ann. Section 12-7-1410 (Law. Co-Op. Supp. 1988)
Announcement 88-110, I.R.B. 1988-35, August 29, 1988

AUTHORITY: S.C. Code Ann. Section 12-3-140 (Law. Co-Op. 1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

Trusts that filed a short period return for taxable years ending on December 31, 1987, and annualized the income for the short period under IRC Section 443(b)(1) may be eligible for a refund under the relief provisions of IRC Section 443(b)(2). South Carolina has adopted the provisions of IRC Section 443 and will conform to the IRS position.

Announcement 88-110, I.R.B. 1988-35, outlines the necessary computations. If the tax under Section 443(b)(2) is less than the tax paid on the short period return, the trust is eligible for a refund of the difference. The refund may be claimed on an amended 1987 form SC 1041. Please write clearly at the top of the amended return, "Application for Benefits under Section 443(b)(2)."