

SC REVENUE PROCEDURE # 97-8

**SUBJECT:** Administration of Policy Documents  
(All Laws Administered by the Department of Revenue)

**EFFECTIVE DATE:** August 1, 1997

**SUPERSEDES:** Revenue Procedure #94-1

**REFERENCE:** S.C. Code Ann. Section 12-4-320 (Supp. 1996)

**SCOPE:** A Revenue Procedure is a statement which provides information of a procedural nature. It is valid and remains in effect until superseded by a change in the statute or regulations or a subsequent court decision or Revenue Procedure.

**I. BACKGROUND INFORMATION**

The Office of General Counsel's Policy Section ("Policy") was established to recommend policy to the South Carolina Department of Revenue ("Department") so that the Department may accomplish its mission of increasing the public's awareness and knowledge of the revenue laws of this State and to ensure public confidence in the integrity, effectiveness and fairness of the Department. This is accomplished in part through the dissemination of policy documents to the general public, to specific persons, and to Department employees.

The mission of the Department is also accomplished in part by coordinating the efforts of Policy and the research, review, and technical sections ("Review") of the other divisions of the Department. Policy is responsible for the formulation, promulgation, dissemination, maintenance and control of the policies established by the Department. Review is responsible for providing informal advice and assistance to persons outside the Department and the employees of their division.

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### **III. TYPES AND DESCRIPTION OF POLICY DOCUMENTS**

The Department promulgates policy through regulations issued in accordance with the State's administrative procedures act (Code Sections 1-23-10 et seq.) and through policy documents authorized by the administrative procedures act, Code Section 12-4-320, and this document. Policy Documents are official advisory opinions of the Department. They are binding on the Department's employees but not on others, including the courts.

Policy disseminates them to the public to make known the Department's official positions on particular matters and to increase the public's awareness and understanding of the various laws administered by the Department. Policy documents consist of Revenue Rulings, Revenue Procedures, Private Letter Rulings, and Information Letters. These documents are described in the sections which follow.

#### **(A) Revenue Ruling**

Definition. A Revenue Ruling is the Department's official advisory opinion of how laws administered by the Department are to be applied to a specific issue or a specific set of facts and is provided as guidance for all persons or a particular group. It is valid and remains in effect until superseded or modified by a change in a statute, a regulation, a subsequent court decision, a Revenue Ruling, or a Revenue Procedure.

When a Revenue Ruling Will be Issued. A Revenue Ruling will be issued when:

- (1) The law or regulations are not clear and Policy determines that the issue will affect many people;
- (2) A request for a Private Letter Ruling concerns an issue that will affect many people. Policy reserves the right to upgrade any Private Letter Ruling to a Revenue Ruling;
- (3) Inconsistency in the treatment of an issue exists between districts or divisions of the Department; or
- (4) It is believed that issuance of a Revenue Ruling is in the best interest of the Department.

When a Revenue Ruling Will Not be Issued. A Revenue Ruling will not be issued:

- (1) When the laws or regulations are clear;
- (2) In response to inquiries concerning alternative treatments or hypothetical situations;

- (3) On a matter that concerns only one person;
- (4) On inquiries concerning federal tax matters unless such inquiries concern differences in treatment for federal and state purposes. Other inquiries concerning federal tax matters should be directed to the Internal Revenue Service. The Department will abide by revenue rulings of the Internal Revenue Service until or unless the Department specifies otherwise. The determination that the Department will not abide by an Internal Revenue Service revenue ruling will be prospective, provided that all of the provisions of federal law in question have been specifically adopted by South Carolina;
- (5) On requests that can best be handled by another division within the Department; or
- (6) When the issuance of a Revenue Ruling is not in the best interest of the Department.

From time to time it may become necessary to deny issuance of rulings for reasons other than those presented. In such cases, the person who requested the ruling will be notified and the reason(s) given.

**(B) Revenue Procedure**

Definition. A Revenue Procedure is a document issued for the purpose of disseminating information of a procedural nature. It is valid and remains in effect until superseded or modified by a change in a statute, a regulation, a subsequent court decision, a Revenue Procedure, or a Revenue Ruling.

When a Revenue Procedure Will be Issued. A Revenue Procedure will be issued when:

- (1) Inconsistency exists in the handling of an administrative matter;
- (2) The law or regulations are silent or not clear with respect to an administrative matter; or
- (3) The issuance of a Revenue Procedure is in the best interest of the Department.

When a Revenue Procedure Will Not be Issued. A Revenue Procedure will not be issued when:

- (1) The law or regulations concerning an administrative matter are clear;

- (2) The administrative matter can best be handled by one of the other divisions within the Department; or
- (3) The issuance of a Revenue Procedure is not in the best interest of the Department.

(C) **Private Letter Ruling**

Definition. A Private Letter Ruling is an official advisory opinion issued by the Department to a specific person, upon written request, and it only applies to the specific facts and circumstances of that person as related in the request.

General Statement. It is anticipated that Private Letter Rulings will be the primary vehicle for responding to ruling requests from outside the Department. A Private Letter Ruling is binding on the Department's employees, with respect to the person to whom it was issued, as long as the representations made in the ruling request reflect an accurate statement of the material facts and the transactions were carried out as proposed. A Private Letter Ruling may only be relied upon by the person to whom it was issued and only for the transaction or transactions to which it relates. A Private Letter Ruling has no precedential value.

If it is determined that the representations made in the ruling request do not reflect an accurate statement of the material facts or the transactions were not carried out as proposed, the Private Letter Ruling may not be relied upon by the person who requested it.

A "sanitized" version of the person's Private Letter Ruling is public information, and even though it may not be relied upon by others, it is made available to the general public to provide insight as to the thinking of Policy on particular matters. However, one should be aware that sometimes the facts of a particular Private Letter Ruling request are voluminous and only a summary of the facts will be set forth in the document.

When a Private Letter Ruling Will be Issued. A Private Letter Ruling is issued only upon written request of a specific person, or that person's representative. If the request is made by the representative, a power of attorney must be provided.

When a Private Letter Ruling Will Not be Issued. A Private Letter Ruling will not be issued:

- (1) When the law or regulations are clear;
- (2) In response to inquiries concerning alternative treatments or hypothetical situations;
- (3) On matters scheduled for audit or being audited, appealed or litigated;

- (4) On inquiries concerning federal tax matters unless such inquiries concern differences in treatment for federal and state purposes. Other such inquiries should be directed to the Internal Revenue Service. The Department will abide by private letter rulings of the Internal Revenue Service, issued to the taxpayer for the transaction in question, until or unless the Department specifies otherwise. The determination that the Department will not abide by an Internal Revenue Service private letter ruling will be prospective, provided that all of the provisions of federal law in question have been specifically adopted by South Carolina. A federal private letter ruling may only be relied upon by the taxpayer to whom it was issued and only for the transaction or transactions to which it relates;
- (5) On requests that can be best handled by another division within the Department;  
or
- (6) When the issuance of a Private Letter Ruling would not be in the best interest of the Department.

From time to time it may become necessary to deny issuance of rulings for reasons other than those presented. In such cases, the person who requested the ruling will be notified and the reasons given.

How a Private Letter Ruling Is To be Utilized. If a Private Letter Ruling applies to only one return, application, or other document, then a copy should be attached to the return, application or document when filed. If a Private Letter Ruling applies to a repetitive transaction, then a copy does not need to be filed with each return, application or document. However, a reference to the Private Letter Ruling should be made on the return, application or document and a copy should be readily available in the event of an audit.

#### **(D) Information Letter**

Definition. An Information Letter is a document issued to disseminate general information or information concerning an administrative pronouncement.

When an Information Letter Will be Issued. An Information Letter will be issued when:

- (1) A code section or regulation is added, amended or rescinded and general notice of such action should be disseminated;
- (2) A previous Information Letter is being revised;
- (3) The effective date of a Revenue Ruling is being changed;
- (4) It is deemed to be in the best interest of the Department; or

- (5) It is necessary to disseminate an administrative pronouncement.

#### **IV. DETERMINATION AS TO THE TYPE OF POLICY DOCUMENT TO BE ISSUED**

The determination as to the type of policy document to be issued, or whether or not a policy document should be issued, rests with the Director, the Executive Administrator or, the General Counsel and/or Policy. Requests from both within and without the Department are not requests for specific policy documents, but are requests for written determination.

#### **V. REQUESTING A WRITTEN DETERMINATION**

Requests for written determinations should be handled in the following manner:

Requests from Persons Outside the Department. Requests for written determinations from persons outside of the Department must be in letter form. Written determinations will not be issued in response to oral inquiries. Requests should be forwarded to:

Policy - Written Determination Request  
South Carolina Department of Revenue  
301 Gervais Street  
P.O. Box 125  
Columbia, South Carolina 29214-0702

Policy may forward any request to another division within the Department if it is determined that it is more appropriate for another division to respond to the request.

Requests from Persons Within the Department. A written determination will be issued on the oral or written instructions of the Director or the Executive Administrator, or based on a decision by Policy to issue a document.

All other requests must be in writing and routed to Policy through the Review section of the appropriate division. These sections will determine if a written determination from Policy is warranted. If a written determination from Policy is not warranted, the Review section of the division will respond to the question. Note, responses by these sections are not the official position of the Department, but are informal advice designed to assist the employees of the particular division. If it is determined that a written determination from Policy is warranted, the Review section will forward the request to Policy. To be considered for a written determination by Policy, the Review Section must include in their request a summary of the reasons a policy document is warranted and a complete analysis of Review's position on the issues in question. They will also notify their division administrator as to the nature of the request. At the discretion of the division administrator, all requests may be routed to Policy through the office of the division administrator.

Response to Requests for Rulings. Requests for all written determinations will be responded to in the order received (first come - first serve), unless compelling reasons are given to do otherwise.

It is the requesting party's responsibility to provide written reasons for extending preferential treatment. Policy has the authority to grant or deny preferential treatment. Policy will strive to respond to all requests as expeditiously as possible. The person requesting the written determination will be notified if it is anticipated that an inordinate amount of time will be necessary in order to reach a final determination.

Contents of the request. All requests for written determinations must contain the following, if applicable:

- (1) Name of person requesting the ruling;
- (2) Address and telephone number of the person requesting the ruling;
- (3) Relevant identification numbers (i.e. social security number, federal identification number, license number, etc.);
- (4) A power of attorney if the person is to be represented by a third party;
- (5) Perjury statement as required by this document;
- (6) Specific questions to be answered or procedures to be addressed;
- (7) Complete statement of all facts;
- (8) Relevant code sections, regulations, court decisions. Policy encourages applicants to refer to any legislation, court decisions, regulations, rulings or procedures which appear to support their position;
- (9) Copies of relevant documents (i.e. contracts, wills, deeds, etc.). Do not forward original documents;
- (10) The person requesting the ruling must state in the request if:
  - (a) the same issue is under audit by the Department or any other taxing or revenue authority;
  - (b) the person has been notified that an examination is pending (if applicable);
  - (c) the same issue is under appeal with the Department or any other taxing or revenue authority;



- (d) the same issue is being litigated;
- (e) the Department, or any other taxing or revenue authority, has previously issued a ruling on the same issue. (Please cite or attach a copy of the ruling);  
or
- (f) the Attorney General's Office has been, or will be, requested to issue an opinion concerning the issue.

Penalties of Perjury Declaration. A request for a written determination received from outside the Department must be accompanied by a declaration that contains the following language:

Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the facts presented in support of the requested ruling are true, correct and complete. Furthermore, I have read and understand the penalty provisions of S.C. Code Section 12-54-40(b)(6)(f).

This declaration must be signed by the person making the request, or if the request is being made by a corporation, by an officer of the corporation who has personal knowledge of the relevant facts. A trustee or partner may sign for a trust or partnership if he or she has personal knowledge of the facts. This statement may not be signed by the person's representative.

Examinations Prior to Ruling Being Issued. If, prior to the issuance of a written determination, a person is notified of a pending examination by the Department, or other taxing or revenue authority, he or she is required to notify Policy. It is also required that the examining agent or auditor be notified of the request for written determination.

## **VI. PROCEDURES FOR ISSUANCE OF A POLICY DOCUMENT**

Once Policy has received a request for a written determination from a person either within or without the Department, the following steps will be taken:

- (1) Policy, upon the receipt of a request, will acknowledge receipt of the request in writing.

Policy may request any additional information or documentation it deems necessary. The person making the request will be informed that if the additional information or documentation is not provided within thirty days, Policy may consider the request withdrawn and the file closed. Additional time may be requested.

If Policy receives a request (a) which, in accordance with the provisions of Section III of this document, will not be issued, or (b) which does not appear to be a request for a formal written determination, then Policy will consider the request as one for informal guidance or information and forward it to the appropriate section within the

Department. Policy will notify the person requesting the ruling that the request has been referred to another division. That person should inform Policy at this time if a formal policy document is in fact desired.

- (2) Policy will gather all necessary information and data, and research the issue or issues. Policy may telephone, or meet with, whomever necessary to obtain additional information or to clarify facts. Policy will determine the type of document to be issued and will draft a proposed Revenue Ruling, Revenue Procedure, Private Letter Ruling, or Information Letter.
- (3) All proposed Revenue Rulings, Revenue Procedures, and Private Letter Rulings will be circulated for comments and/or suggestions. Information Letters may be circulated by Policy at its discretion. Each document being circulated will be labeled "DRAFT".
- (4) If an Information Letter is not circulated, it will be disseminated immediately.
- (5) After being circulated, the draft may be modified.
- (6) At the discretion of Policy, the amended draft will be circulated for further comments and/or suggestions. If, after a draft has been circulated, Policy changes its recommendation as to a proposed ruling's effective date so as to grant prospective treatment, the draft will be re-circulated for comments.
- (7) If the written determination was requested by a specific person from outside the Department, a "Notice of Proposed Ruling" will be sent to that person.
- (8) All proposed Revenue Rulings, Revenue Procedures, and Private Letter Rulings will be presented to the Director for consideration. The Director may also instruct Policy to seek public comments or suggestions before any further consideration is given to a proposed ruling. If approved, the ruling will be disseminated both within and without the Department.

If the proposed Revenue Ruling, Revenue Procedure, or Private Letter Ruling is not approved, then Policy will either make the recommended changes and circulate the amended draft (if considered necessary by Policy or the Director) or communicate to whomever necessary the reason for not issuing a document.

## **VII. NOTICE OF PROPOSED RULING**

Prior to issuing a written determination that has been requested by a person from outside the Department, that person, the taxpayer or his representative will be provided a draft of the proposed ruling and given an opportunity to:

- (1) Provide additional information or arguments if they disagree with the proposed ruling; or,

- (2) Withdraw the ruling, if drafted as a Private Letter Ruling.

In the “Notice of Proposed Ruling” the person who requested the ruling should be informed that the proposed ruling is not the official position of the Department but is merely a preliminary finding based upon the information available as of the date of the letter. Also, the person who requested the ruling will be given thirty days to respond to the notice. Additional time will usually be granted upon request.

The person will be informed that if the request is withdrawn, that he or she may file a claim for refund (if the tax or fee has already been paid) and handle the matter through the appeals process. If the tax or fee has not been paid, the person may withdraw the request and appeal the issue if audited.

If the person who requested the ruling does not withdraw the ruling, Policy will continue the procedures for the issuance of a policy document as described in this document. Policy may modify the draft at its discretion based on any new information that may be presented.

Policy, at its discretion or upon the request of the Director or the Executive Administrator, may upgrade any proposed or existing Private Letter Ruling to a Revenue Ruling or a Revenue Procedure.

#### **VIII. WITHDRAWING A REQUEST FOR A RULING**

A request for a written determination may be withdrawn by the person who requested the ruling at any time prior to the issuance of a policy document, if the ruling is drafted as a Private Letter Ruling.

Even though a request is withdrawn, all correspondence and/or documents will be retained for future reference. Policy may furnish its views to appropriate Department personnel who may consider it in a subsequent examination of a person’s tax return or for any other reason within their authority.

If Policy determines that the issue raised by a request will affect many persons, Policy may recommend to the Director that a Revenue Ruling or a Revenue Procedure be issued on the matter.

#### **IX. REVOCATION OR MODIFICATION OF A DOCUMENT**

Revenue Ruling and Revenue Procedure. Revenue Rulings and Revenue Procedures are valid and remain in effect unless superseded or modified by a change in a statute, regulation, subsequent court decision, Revenue Ruling, or Revenue Procedure. If applicable, a Revenue Ruling or Revenue Procedure will state on its face that it is being issued to supersede or modify an existing document, and the document being revoked or modified will also be identified. Revocation or modification applies to all periods open under the statute unless the retroactive effect of such action is limited in the document.

Private Letter Ruling. The other divisions have the authority to ascertain whether any Private Letter Ruling previously issued has been properly applied. If it is later determined that the representations upon which a Private Letter Ruling were based are inaccurate or that a transaction was not carried out as presented, then the Private Letter Ruling may not be relied upon by the person who requested it and it is not binding on the division when conducting an audit of, or assessing, that person.

## **X. FORMAT OF POLICY DOCUMENTS**

Each type of policy document will be numbered sequentially. The numbering sequence will begin anew at the beginning of each calendar year; with the first two digits denoting year of issuance (i.e. SC Revenue Ruling #97-1; SC Revenue Procedure #97-1). Next to the assigned number will be placed three letters denoting the type of revenue account (i.e. TAX or ABC). Revenue Rulings and Revenue Procedures will contain a place designated for the signature of the Director and the date of approval.

Policy documents will be formatted as shown in Exhibits A-D, unless the dissemination of policy with respect to a particular issue can best be accomplished by a different format.

## **XI. PUBLIC DISCLOSURE OF RULINGS**

Disclosure will consist of publishing a synopsis in the Department newsletter with an address or telephone number for obtaining a copy of the full text of the document. **Policy documents are available in their full text on the Internet at <http://www.state.sc.us/dor>.** The Department may take other steps to accomplish disclosure, as deemed appropriate and necessary. Disclosure of all policy documents will be coordinated with the Public Affairs Section.

The Department will edit for confidentiality (“sanitize”) Private Letter Rulings prior to disclosure to protect the privacy of persons who have requested a ruling. A sanitized ruling is one in which all references to a particular person have been omitted.

Upon issuance of a Private Letter Ruling, a copy of the “sanitized” version will also be forwarded to the person who requested the ruling by mail or fax transmission. The taxpayer will have ten (10) days from the date of the letter to request any further “sanitizing”. Lack of response within the ten (10) day period will be considered as acceptance of the “sanitized” version. Policy will be responsible for forwarding the “sanitized” version of a Private Letter Ruling to the person who requested the ruling.

## **XII. INFORMAL RESPONSE FROM POLICY**

### **(A) Informal Oral Advice**

General Statement. Policy is available to informally discuss questions of law or fact by telephone or in person as requested by any person within or without the Department. Such oral advice does not represent an official advisory opinion of Policy or the Department, and is not binding on the person who asked for such advice or any Department employee, or the Department. There is no formal request procedure.

Actions by Policy. Any actions by Policy will be verbal. Policy will not issue a policy document based upon the informal discussions with a person within or without the Department. Policy may at some future date, however, issue a ruling based on the legal issues discussed in the matter. A request for informal oral advice will have no effect on an audit.

### **(B) Informal Written Advice**

If a person within or without the Department desires informal written advice, Policy will generally forward such requests to the appropriate Review section within the Department. Policy may, at its discretion, issue informal non-binding written advice if the facts and circumstances warrant. Such informal written advice does not represent an official advisory opinion of Policy or the Department, and is not binding on the person who asked for such advice or any Department employee, or the Department. All requests for informal written advice must be in writing. A request for informal written advice will have no effect on an audit.

### **(C) Conference to Facilitate Audits**

General Statement. Policy will participate in an optional, informal conference that is requested by the auditor and the taxpayer in order to assist the parties involved in an audit in clarifying the facts and issues and possibly settling the audit.

Request for Conference to Facilitate an Audit. A conference with Policy is voluntary. The auditor and the taxpayer must both consent to use the process and agree to participate in the conference. The process may be terminated at any time by any party involved.

A request to initiate the process may be made: (1) at any time during the audit process and, (2) for any type tax or dollar amount under audit. The auditor may suggest the process to the taxpayer or the taxpayer may suggest the process to the auditor. In either instance, the auditor will make the written request for the conference.

Once the auditor and the taxpayer agree to participate in this process, the auditor will submit the request for a conference. The request will be considered made once the auditor submits the following information in writing to the Chief Counsel of Policy: (1) a brief summary of the facts under audit; (2) a list of issues; (3) the auditor's proposed conclusions and the

reasons for them; and (4) any comments that the taxpayer would like to make. The taxpayer's comments may include additional facts, issues, and/or conclusions.

Once the request is received, it will be reviewed and Policy will inform the auditor of the Policy member who will attend the conference. The auditor will then schedule the conference at a time acceptable by the auditor, the taxpayer, and the Policy member. The taxpayer and his representative, if any, may attend the meeting in person or by conference call.

When a Conference Will Not be Provided for Matters Under Audit. The conference will not be available if:

- (1) The appeals file has been forwarded to the Office of General Counsel for the Department's Final Determination;
- (2) Policy determines the written request is not sufficient to provide the information necessary to assist the parties;
- (3) Policy determines time constraints prevent expeditious handling of the matter; or
- (4) It is not in the best interest of the Department.

Actions by Policy. The auditor, taxpayer or taxpayer's representative, and Policy member must be present (in person or by phone) at the conference. Other persons may also be present at the request of the auditor, the taxpayer, or Policy member. One meeting should be sufficient to discuss the matter. If the Policy member determines another meeting will be useful, it will be scheduled.

The Policy member will help the parties clarify the facts and issues, help the parties understand the other's position, and explain alternative ways, if any, the issues may be viewed. Policy will not take sides in the facilitation. Any opinion expressed by Policy is unofficial, informal advice. The parties may agree that a settlement will be based upon facts presented, the law, or the hazards of litigation. If the parties agree to propose a settlement based upon the hazards of litigation, then the auditor will prepare a written report summarizing the settlement offer and send it to the General Counsel for review, pursuant to SC Revenue Procedure #95-6. If a settlement cannot be reached, the parties may agree to resolve some of the issues or stipulate some of the facts. The Policy member will keep the Chief Counsel for Policy, the General Counsel and the Executive Administrator informed about the process.

Policy will not issue a Policy Document on any matter discussed during the conference. Policy may at some future date, however, issue a Revenue Ruling or Revenue Procedure based on legal issues discussed in the matter.

How the procedure effects the audit process. This procedure will neither stop nor delay the audit. Any statements made by Policy, the auditor or the taxpayer during the conference will not be binding on the auditor, the taxpayer, Policy, or the Department. The conference will concern only the periods at issue in the audit. This process will have no precedential value. Since this process is voluntary, the parties are free to agree with the settlement or to continue with the audit and appeal process.

### **XIII. QUESTIONS**

For questions concerning this document, contact Policy at (803) 737-4440, John P. McCormack at (803) 737-4438, Jerry Knight at (803) 737-4437, or Deana West at (803) 737-4439.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Burnet R. Maybank III, Director  
Burnet R. Maybank III, Director

July 22 ,1997  
Columbia, South Carolina

**EXHIBIT A - FORMAT OF REVENUE RULING**

SC REVENUE RULING # (TAX or ABC)

- SUBJECT:** Title  
(Tax, License or Revenue Type)
- EFFECTIVE DATE:** Specify a specific date or, if a specific date is not warranted, insert the phrase, “Applies to all periods open under the statute.”
- SUPERSEDES:** Specify which Revenue Ruling or, if not superseding a specific document, insert the phrase, “All previous documents and any oral directives in conflict herewith.”
- REFERENCES:** Specify and fully cite all South Carolina code sections referenced in the Revenue Ruling: i.e. “S. C. Code Ann. Section XX-XX-XXX (Year)”.
- AUTHORITY:** S. C. Code Ann. Section 12-4-320 (Supp. Year)  
SC Revenue Procedure #
- SCOPE:** A Revenue Ruling is the Department of Revenue’s **official advisory opinion** of how laws administered by the Department are to be applied to a specific issue or a specific set of facts, and is provided as guidance for all persons or a particular group. 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 Ruling or Revenue Procedure.

Question(s):

Conclusion(s):

Facts: (Optional)

Discussion: (Optional)

Note: The signature of the Director and the date the Director approved the Revenue Ruling should be placed at the end of the document along with the following statement:

For questions concerning (subject of document), contact (name of contact person or applicable division within the Department) at (phone number).\*

\* This statement may be modified as deemed necessary.

XX/ The initials of the Policy employee will be placed on the last page of the document if not identified in the above statement.



## EXHIBIT B - FORMAT OF REVENUE PROCEDURE

SC REVENUE PROCEDURE # (TAX or ABC)

SUBJECT: Title  
(Tax, License, Revenue Type)

EFFECTIVE DATE: Specify a specific date or, if a specific date is not warranted, insert the phrase, "Applies to all periods open under the statute."

EXPIRATION DATE: If Needed

SUPERSEDES: Specify which Revenue Procedure or, if not superseding a specific document, insert the phrase, "All previous documents and any oral directives in conflict herewith."

REFERENCES: Specify and fully cite all South Carolina code sections referenced in the Revenue Procedure: i.e. "S. C. Code Ann. Section XX-XX-XXX (Year)"

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. Year)  
SC Revenue Procedure #

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.

There is no set format for the balance of the document; however, it should, when possible, give the reasons for issuing the Revenue Procedure.

Note: The signature of the Director and the date the Director approved the Revenue Procedure should be placed at the end of the document along with the following statement:

For questions concerning (subject of document), contact (name of contact person or applicable division within the Department) at (phone number) .\*

\* This statement may be modified as deemed necessary.

XX/ The initials of the Policy employee will be placed on the last page of the document if not identified in the above statement.

## EXHIBIT C - FORMAT OF PRIVATE LETTER RULING

SC PRIVATE LETTER RULING # (TAX or ABC)

TO: Name and address of taxpayer who requested the ruling

SUBJECT: Title  
(Tax, License or Revenue Type)

DATE: Date the Private Letter Ruling is issued

REFERENCE: Specify and fully cite all South Carolina code sections referenced in the Private Letter Ruling: i.e. "S. C. Code Ann. Section XX-XX-XXX (Year)".

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. Year)  
SC Revenue Procedure #

SCOPE: A Private Letter Ruling is an **official advisory opinion** issued by the Department of Revenue to a specific person.

NOTE: A Private Letter Ruling may only be relied upon by the person to whom it is issued and only for the transaction or transactions to which it relates. A Private Letter Ruling has no precedential value.

Question(s):

Conclusion(s):

Facts:

Discussion: (If Needed)

For questions concerning (subject of document), contact (name of contact person or applicable division within the Department) at (phone number).\*

\* This statement may be modified as deemed necessary.

XX/ The initials of the Policy employee will be placed on the last page of the document if not identified in the above statement.

## EXHIBIT D - FORMAT OF INFORMATION LETTER

SC INFORMATION LETTER # (TAX or ABC)

**SUBJECT:** ADMINISTRATIVE PRONOUNCEMENT - if applicable \*  
Title  
(Tax, License, or Revenue Type)

**DATE:**

**SUPERSEDES:** Specify which Information Letter or, if not superseding a specific document, insert the phrase, "All previous documents and any oral directives in conflict herewith."

**REFERENCE:** Specify and fully cite all South Carolina code sections referenced in the Information Letter: i.e. "S. C. Code Ann. Section XX-XX-XXX (Year)".

**AUTHORITY:** S.C. Code Ann. Section 12-4-320 (Supp. Year)  
SC Revenue Procedure #

**SCOPE:** An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements are the official advisory opinions of the Department.

The balance of this document does not require a standard format.

XX/ The initials of the Policy employee will be placed on the last page of the Information Letter.

\* If the Information Letter is an Administrative Pronouncement of the Department, it will be designated as such in the "Subject" portion of the heading.