
State of South Carolina
Department of Revenue
301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC REVENUE PROCEDURAL BULLETIN #01-2

- SUBJECT:** Payments by Credit Card
(All Taxes)
- EFFECTIVE DATE:** January 1, 2001
- SUPERSEDES:** SC Temporary Revenue Procedural Bulletin #01-2 and all previous advisory opinions and any oral directives in conflict herewith.
- REFERENCES:** S. C. Code Ann. Section 12-54-75 (2000)
- AUTHORITY:** S. C. Code Ann. Section 12-4-320 (2000)
S. C. Code Ann. Section 1-23-10(4) (Supp. 2000)
SC Revenue Procedure #99-4
- SCOPE:** The purpose of a Revenue Procedural Bulletin is to provide procedural guidance to the public and Department personnel. It is a written statement issued to assist in the administration of laws and regulations by providing guidance that may be followed in order to comply with the law. **A Revenue Procedural Bulletin does not have the force or effect of law, and is not binding on the public.** It is, however, binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

Code Section 12-54-75 provides for the State Treasurer to authorize the Department to accept electronic forms of payments. It provides:

The State Treasurer may authorize a state agency which collects revenues, either as taxes or license fees or as payment for goods or services, to accept electronic forms of payment including, but not limited to, credit cards, debit cards, bank debits or credits, or electronic purse options. These electronic payments may be accepted in the course of an electronic commerce transaction, in which the business transaction is conducted by means of the internet, interactive voice response, or other fully electronic means.

Code Section 12-4-780, effective for tax years beginning after December 31, 2000, also allows the Department to accept payments by credit cards. It states:

The department may accept, on terms and conditions it establishes, payments to it by credit cards. This authority includes a determination not to accept credit card payments or to accept credit card payments only for certain classes of payments as specified by the department. Notwithstanding another provision of law, the State Treasurer may enter into contracts on behalf of the department by which the department may accept credit card payments. The department may withhold the actual cost of processing credit card payments from deposits of the payments and may treat these withholdings as reimbursements of the associated expenditures.

The purpose of this advisory opinion is to set forth the terms and conditions concerning the Department's acceptance of credit cards.

Delinquent Tax Payments. Effective in 1999, the Department began accepting payment of delinquent taxes by credit card. The terms and conditions for credit card payment of delinquent taxes are provided in SC Revenue Ruling #99-12.

SCnetFile Participant Payments. Effective January, 2001, the State Treasurer has authorized the Department to accept credit card payment of taxes in the course of an electronic commerce transaction. The Department will permit payment of South Carolina individual income and use taxes by credit card for persons using South Carolina's Internet filing system, SCnetFile, as outlined below.

a. Individual Income Taxes Reported on an Individual Income Tax Return.

The Department will permit payment of South Carolina individual income and use taxes by credit card for eligible persons filing a SC1040 or SC1040A using SCnetFile. Only preselected taxpayers may use SCnetFile to file an individual income tax return. The Department has mailed eligible persons a pre-addressed booklet or postcard that contains a four-digit personal identification number required to access the system. Credit card payments will be accepted from eligible participants for payment of tax as reported on internet individual income tax returns during the time period the system is operational for this purpose - January 12, 2001 through August 30, 2001, for tax year 2000.

For tax year 2000, the Director has determined that SCnetFile participants filing a SC1040 or SC1040A will be allowed until May 1, 2001, to file and pay any balance due. The tax must be paid by May 1 or penalties and interest will be assessed from April 16, 2001, until the taxes are paid. Note: This additional time does not extend the time to file federal returns and will shorten the period during which a claim for refund may be filed.

b. Individual Income Taxes Reported on a Request for an Extension of Time to File.

All taxpayers are eligible to use a credit card when paying taxes reported on a 120 day extension of time to file an individual income tax return when using SCnetFile. There are no special requirements for participating in this system and a four-digit personal identification number is not required to access the system.

The Department anticipates accepting credit card payments from SCnetFile participants for payment of taxes as reported on internet individual income tax 120 day extensions during the time period the system is operational for extensions of time to file. It is anticipated the system will be operational from April 1, 2001 through May 1, 2001, for credit card payments remitted with a 120 day extension for tax year 2000. Credit card payments will not be accepted for any additional extension request. As soon as the system is operational for acceptance of credit card payments with an extension of time to file, a notice will be placed on the Department's website indicating the dates.

c. Individual Estimated Tax Payments.

All taxpayers are eligible to use a credit card when paying taxes reported on individual estimated tax payment vouchers when using SCnetFile. There are no special requirements for participating in this system and a four-digit personal identification number is not required to access the system.

The Department anticipates accepting credit card payments from SCnetFile participants for payment of taxes as reported on internet declarations of individual estimated taxes during the time period the system is operational for individual estimated tax payments. It is anticipated the system will be operational continuously beginning April 1, 2001, for the internet filing and payment of individual estimated taxes. As soon as the system is operational for acceptance of estimated tax payments, a notice will be placed on the Department's website.

Instructions on how to submit credit card payments are available once access is obtained to SCnetFile through the Department's website at www.sctax.org. At this time, MasterCard and Visa are the only credit cards accepted. The SCnetFile system will accept partial payments by credit card and check or multiple payments by more than one credit card transaction.

Other taxes. In the near future, the Department anticipates accepting credit card payments for other types of taxes. At such time, an advisory opinion will be issued setting forth the terms and conditions.

For questions concerning payments by credit cards, contact the Department's Electronic Services section at 803-898-5111.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Elizabeth A. Carpentier
Elizabeth A. Carpentier, Director

February 26, 2001
Columbia, South Carolina