

SC REVENUE PROCEDURAL BULLETIN #01-8

- SUBJECT:** Governmental Enterprise Accounts Receivable Collections (“GEAR”)
- EFFECTIVE DATE:** Applies to all periods open under the statute.
- SUPERSEDES:** All previous advisory opinions and any oral directives in conflict herewith.
- REFERENCES:** S. C. Code Ann. Section 12-4-580 (2000)  
S. C. Code Ann. Section 12-56-10, et. seq. (2000)
- AUTHORITY:** S. C. Code Ann. Section 12-4-320 (2000)  
S. C. Code Ann. Section 1-23-10(4) (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have the force or effect of law, and is not binding on the public.** It is, however, binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

South Carolina Code Sections 12-4-580 and 12-56-10, et seq. (“Setoff Debt Collection Act”) allow the Department and any other governmental entity to contract to allow the Department to collect any outstanding liabilities owed the governmental entity. In administering the provisions of such agreements, the Department has all the rights and powers of collection allowed it under this title

for the collection of taxes and all such rights and powers authorized the governmental entity to which the liability is owed.

Code Section 12-4-580 provides that for the Department to collect the debt, the “liabilities owed the governmental entity” must be debt “which is certified by the governmental entity to be owed it for which all rights of administrative or judicial appeal have been exhausted or all time limits for these appeals have expired.” See South Carolina Code Section 12-4-580(D)(2).

The governmental entity may use the notice and appeal provisions of the Setoff Debt Collection Act to comply with these requirements. In that event, the Department will accept the following “Notice to the Department of Certification for GEAR Collection”:

(Name of Governmental Entity) hereby certifies that each of the debts attached meets the requirements of the definition of “liabilities owed the governmental entity” in South Carolina Code Section 12-4-580(D)(2), that all rights of notice and appeal contained in the Setoff Debt Collection Act, South Carolina Code Sections 12-56-10, et seq., have been given each debtor, and that all applicable rights granted by law, regulation, judicial or other order, or administrative procedures have been allowed the debtor and have been exhausted.

\_\_\_\_\_  
Name of Governmental Entity

By: \_\_\_\_\_  
Name

Date: \_\_\_\_\_

\_\_\_\_\_  
Title

The Department has prepared a summary of the Setoff Debt Collection Program and the GEAR Program and their requirements and has provided a copy to each participant.

There may be other procedures that satisfy the notice requirements. For questions about GEAR or the administrative and appeals requirements, and the sufficiency of other certifications, contact any of the following Department employees:

Norman Davis, Revenue Manager-Program Sales, 803-898-5031  
Sonya Atkinson, Program Manager, 803-898-5680

Charlie Pitts, Program Supervisor, 803-898-5675  
Doris Mosley, GEAR Coordinator, 803-898-5694

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Elizabeth Carpentier  
Elizabeth Carpentier, Director

August 2, 2001  
Columbia, South Carolina