

117-1500 Bank Tax

117-1500.1. Entire Net Income

117-1500.2. Method of Reporting

117-1500.3. Federal Income Tax Deduction

117-1500.5. Mergers

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Chapter 11 of Title 12 imposes a franchise tax on banks. The following subsections address various aspects of this franchise tax as administered by the South Carolina Department of Revenue.

117-1500.1. Entire Net Income.

The term “entire net income” as used in Section 12-11-10 shall include income derived from any source whatsoever including interest on obligations of the United States, the United States Government or its possessions or of any state and any political subdivision thereof.

117-1500.2. Method of Reporting.

The net income of the taxpayer as provided for in Section 12-11-20 shall be computed on either a cash or an accrual basis. A bank may request permission to change from a cash to an accrual basis or from an accrual basis to a cash basis over a ten year period.

117-1500.3. Federal Income Tax Deduction.

Banks reporting on a cash basis may deduct Federal income estimated tax payments in the year in which they are paid. Cash basis banks using a method other than above may convert by using ten year conversion period as permitted under SC Regulation 117-1500.2.

117-1500.5. Mergers.

A bank which merges into another bank or consolidates with one or more banks, must file a final return for a portion of the year prior to the merger or consolidation and pay the tax shown to be due thereon.

The liability for filing the final return for the bank or banks ceasing to exist shall vest in the surviving bank since it assumes all assets and liabilities of the bank or banks merging or consolidating.

HISTORY: Added by State Register Volume 27, Issue No. 6, Part 2, eff June 27, 2003.