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

**NOTICE TO ALL CORPORATIONS, TRADE GROUPS
AND TAX PROFESSIONALS**

**INFORMATION CONCERNING THE DEPARTMENT'S REVIEW OF
ALTERNATIVE ALLOCATION AND APPORTIONMENT METHODS**

On February 28, 2014, in response to inquiries from taxpayers and practitioners, the Department released a Staff Draft Revenue Ruling regarding combined unitary reporting. The Department received a number of comments from accountants, tax attorneys, and trade groups representing certain taxpayers. In light of the comments, the Department indicated that it would revise the Staff Draft and reissue a revised version for additional public comment and provide an opportunity for an in-person conference to discuss the revised document prior to final release.

Since that time the Department has continued to receive comments and has engaged in on-going discussions regarding combined unitary reporting with the public, including the South Carolina Chamber of Commerce and the South Carolina Retail Association. This notice confirms that the Department will cease work on the proposed Revenue Ruling and will instead form a committee to study alternative allocation and apportionment methods. This committee will consist of Department personnel, representatives from various industry groups, and tax practitioners.

The purpose of this committee will be to perform an in-depth study of alternative apportionment methods, including combined unitary reporting, in an attempt to reach an equitable, balanced approach that provides taxpayers and the Department with objective and reasoned standards. While the committee studies the available options regarding this issue, the Department will not assert on audit combined unitary reporting as an alternative apportionment method and will work to resolve audit issues on other bases. It is the Department's hope and expectation that the committee work will result in an agreed-upon solution to this issue.

If you have questions about this release please call the Department's Policy Section at 898-5151.

May 1, 2014