

March 20, 2015

The Honorable Nikki R. Haley  
Office of the Governor  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Madam Governor,

I am not a resident of South Carolina but I recently discovered an interesting concept in the way that South Carolina conducts its financial business that I thought I would share with you.

In June of 2014 my husband and I sold a piece of Vacation property in Horry County. This was all new to me so I had no idea what to expect, things I should check for, etc. I will add here that the buyers closed on a different day than we did and also used a different closing attorney.

I had been informed by my Real Estate agent to expect the closing attorney to withhold 7% of the declared gain from our proceeds for taxes and that I could file a return to South Carolina at the end of the year to possibly get all or part of it back.

As 'tax time' approached and I began to receive 'tax documents' in the mail, I began to wonder if there was something I would receive from the State of South Carolina or 'someone' showing where these funds had been withheld. Again, not knowing how all this 'worked', I contacted the SCDOR where I was told that they showed no funds associated with mine or my husband's SS# and that I should contact my closing attorney. I was also told that the closing attorney should have submitted a non-resident (I-290) form along with the funds (that clearly showed on my HUD document) as well as presented a copy of the same form to me for my records. When I checked with 'my' attorney, he seemed to have no clue what an I-290 form was. When I was finally able to contact the buyer's closing attorney (the one who actually should have sent the funds to the SCDOR) he 're-issued' the check to SCDOR and sent me a copy of the I-290. All this transpired 9 months after closing (the documentation I see online at the DOR site states that this money should be sent within 30 days after the closing).

Now, my question is this. What kind of 'checks and balances' does SCDOR have that 9 months after they should have received a check for \$8,000, they still do not have it? And worse than that is they don't seem to know that they should have it or even expect it. I was told by the closing attorney, *"Well, sometimes, we send the check and they just never deposit it"*. Oh Yeah? I have NEVER seen the government refuse to deposit money that was due them. All this poses another question that is not pertinent here, but what kind of 'checks and balances' does an attorney have that writes a check for \$8,000, and 9 months later when they get a phone call, just turns around and writes another check? Really? He didn't know for 9 months that the first check never cleared? Or rather, maybe he never wrote the first one because he knew SCDOR didn't know he withheld those funds in the first place and unless someone like me, who was expecting to get part of it back, came along and rocked the boat, he would just add that \$8,000 to his profit and no one would be the wiser.

I will close by saying that South Carolina appears to be missing out on a lot of revenue because there seems to be a glitch in your collection process. There is a lot of vacation property that swaps hands in your state because you have such a tremendous tourism industry. And needless to say, the majority of the funds realized are capital gains, taxed at 7%. Most people don't file to recoup it because they know upfront they are not eligible. Who gets to keep it? It appears to be the lawyers. It's the state's money. You should improve your book keeping and claim what is yours.

I will just add that if I conducted my personal business this way, I would constantly be bouncing checks and I would never balance my budget. Perhaps that is the problem with the US Government as well.

Kindest Regards,

A handwritten signature in cursive script that reads "Susan Shirley". The signature is written in black ink and is positioned to the right of the typed name.

Susan Shirley

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