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**To:** Maybank, Burnet R. III <BMaybank@nexsenpruet.com>  
**Date:** 11/13/2014 4:59:40 PM  
**Subject:** ED & SALT LSs: Expiring federal provisions (Part 3); state tax consequences

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Senator Leatherman, along with co-sponsor Senators Setzler, O'Dell and Alexander, had legislation pass last session which "preconformed" the expiring Federal provisions for state tax purposes; so no new legislation will be needed next year (Normally taxpayers have to wait for the annual state tax conformity bill to pass)

(A126, R130, S953)

**AN ACT TO AMEND SECTION 12-6-40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE INCOME TAX LAWS, SO AS TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE TO THE YEAR 2013 AND TO PROVIDE THAT ANY INTERNAL REVENUE CODE SECTIONS ADOPTED BY THE STATE THAT EXPIRED ON DECEMBER 31, 2013, THAT ARE EXTENDED BY CONGRESSIONAL ENACTMENT IN 2014, ARE ALSO EXTENDED FOR SOUTH CAROLINA INCOME TAX PURPOSES.**

Be it enacted by the General Assembly of the State of South Carolina:

**Internal Revenue Code conformity, extension**

SECTION 1. Section 12-6-40(A)(1) of the 1976 Code, as last amended by Act 10 of 2013, is further amended to read:

"(1)(a) Except as otherwise provided, 'Internal Revenue Code' means the Internal Revenue Code of 1986, as amended through December 31, 2013, and includes the effective date provisions contained in it.

(b) For purposes of Sections 63 and 179 of the Internal Revenue Code, the amendments made by Sections 103 and 202 of the Jobs and Growth Tax Relief Reconciliation Act of 2003, P.L. 108-27 (May 28, 2003) are effective only for taxable years beginning after December 31, 2003.

(c) If Internal Revenue Code sections adopted by this State which expired or portions thereof expired on December 31, 2013, are extended, but otherwise not amended, by congressional enactment during 2014, these sections or portions thereof also are extended for South Carolina income tax purposes in the same manner that they are extended for federal income tax purposes."

**Time effective**

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 27th day of February, 2014.

Approved the 4th day of March, 2014.

**Burnet R. Maybank, III**

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