

From: Soura, Christian
To: Meredith Cleland CLELANM@sctax.org
Date: 2/3/2013 3:36:10 AM
Subject: RE: conformity

Thanks - yes, I drafted it to try and get the bill to be revenue-neutral (technically, slightly revenue-negative) so that the Governor wouldn't feel like she was being forced to sign a tax increase. I've also asked BEA to re-score it at 6.99% instead of 6.99209%, because I feel like the former rate is a more "reasonable" figure. My guess is that going to 6.99% probably adds about another 3/4 of a million to the impact. About half of the states that have an income tax define it at the hundredths-of-a-percent level, so I don't think it would be too bad to do the same here for that top bracket. We'll see...

CLS

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From: Meredith Cleland [CLELANM@sctax.org]
Sent: Friday, February 01, 2013 5:12 PM
To: Soura, Christian
Subject: conformity

Hey Christian!

Bill showed me a possible amendment that would eliminate the positive impact on S261. The amendment according to the BEA would eliminate any notion of a tax increase in the whole. We do not think the language affects conformity to the federal code since it only changes our rate of tax and not what is subject to tax. In the simplest terms it would make references to our tax rates more complicated. However, at the same time it would reflect a lower rate than 7%.

If you would like to discuss the issue please let me know.

Thanks