



**Fiscal Year 2018-19
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.
NON-RECURRING REQUESTS (FORM B2)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.
CAPITAL REQUESTS (FORM C)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.
PROVISOS (FORM D)	For FY 2018-19, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Hartley Powell	803.898.5040	Hartley.Powell@dor.sc.gov
SECONDARY CONTACT:	Meredith Cleland	803.898.5402	Meredith.Cleland@dor.sc.gov

I have reviewed and approved the enclosed FY 2018-19 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

SIGN/DATE:	<i>Agency Director</i>	<i>Board or Commission Chair</i>
		10/5/17
TYPE/PRINT NAME:	W. Hartley Powell	

This form must be signed by the agency head – not a delegate.

AGENCY NAME:	S.C. Department of Revenue		
AGENCY CODE:	R440	SECTION:	109

SUMMARY

Contractual Services are a significant portion of DOR operations expenses and include several IT related contractors. If DOR were to absorb the 3% General Fund reduction, roughly 10 contractors would be lost. These contractors are assisting in DOR's implementation of a new taxpayer processing system (COTS), and their loss could affect the project timeline.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

DOR would delay various IT infrastructure projects in order to reduce costs.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	<p align="center">Centralize all Business Personal Property filing with SCDOR</p> <hr/> <p><i>Provide a brief, descriptive title for this request.</i></p>								
EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	<p>The administration of filing Business Personal Property returns is currently shared by SCDOR and SC Counties. Due to this shared duty, filing jurisdiction has become complex and confusing for taxpayers and preparers. Through centralization of filing at SCDOR, taxpayers will no longer be burdened with the complexities of multiple jurisdictions and will have the option to file electronically using SCDOR’s new tax processing system.</p> <p><i>What is the expected savings to South Carolina’s businesses and citizens that is generated by this proposal? The savings could be related to time or money.</i></p>								
FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark “X” for all that apply:</p> <table border="1"> <tr> <td style="background-color: #cccccc;"><input checked="" type="checkbox"/></td> <td>Repeal or revision of regulations.</td> </tr> <tr> <td style="background-color: #cccccc;"><input type="checkbox"/></td> <td>Reduction of agency fees or fines to businesses or citizens.</td> </tr> <tr> <td style="background-color: #cccccc;"><input checked="" type="checkbox"/></td> <td>Greater efficiency in agency services or reduction in compliance burden.</td> </tr> <tr> <td style="background-color: #cccccc;"><input type="checkbox"/></td> <td>Other</td> </tr> </table>	<input checked="" type="checkbox"/>	Repeal or revision of regulations.	<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.	<input checked="" type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.	<input type="checkbox"/>	Other
<input checked="" type="checkbox"/>	Repeal or revision of regulations.								
<input type="checkbox"/>	Reduction of agency fees or fines to businesses or citizens.								
<input checked="" type="checkbox"/>	Greater efficiency in agency services or reduction in compliance burden.								
<input type="checkbox"/>	Other								
METHOD OF CALCULATION	<p>Currently, SCDOR administers approximately 67% of the assessment of property of merchants and other related businesses as defined by the North American Classification System (NAICS). Through this request, the remaining 33% will be under the jurisdiction of SCDOR.</p> <hr/> <p><i>Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.</i></p>								
REDUCTION OF FEES OR FINES	<p>There are no fines or fees associated with this request.</p> <hr/> <p><i>Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?</i></p>								
REDUCTION OF REGULATION	<p>S. 539 and H. 4029 Introduced in 2017: TO AMEND SECTION 12-43-335, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO ASSESSING THE PROPERTY OF MERCHANTS AND OTHER RELATED BUSINESSES, SO AS TO REQUIRE THE DEPARTMENT OF REVENUE TO FOLLOW CERTAIN NORTH AMERICAN CLASSIFICATION SYSTEM MANUAL PROVISIONS; AND TO REPEAL SECTION 12-39-70 RELATING TO APPRAISING AND ASSESSING PERSONAL PROPERTY OF BUSINESSES</p>								

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UNDER THE JURISDICTION OF THE COUNTY AUDITOR.

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	<p>Business Personal Property (BPP) Centralization of Filing</p> <p>Challenge: Complexity of Multiple Filing Jurisdictions</p> <ul style="list-style-type: none"> • The administration of BPP taxes is currently shared by SCDOR and SC Counties • SCDOR administers the majority of these taxes based on business type (NAICS Code). • Filing jurisdiction has become complex and confusing for taxpayers and preparers • Businesses with multiple locations are required to file in multiple counties <p>Solution: Central Administration of Filing at SCDOR</p> <ul style="list-style-type: none"> • Simplicity for taxpayers and practitioners • SCDOR allows for electronic filing • Would allow county personnel to focus on non-filers rather than processing paper <p>BPP Facts:</p> <ul style="list-style-type: none"> • BPP taxes are billed and paid to the counties • Current jurisdiction of filing of BPP Returns: 66% SCDOR, 34% Counties
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Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?