



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: S. 0609 Introduced on February 24, 2021
Author: Alexander
Subject: Access to Tax Information
Requestor: Senate Finance
RFA Analyst(s): Gardner and Payne
Impact Date: March 30, 2021

Fiscal Impact Summary

This bill expands the general tax provisions by adding Section 12-2-140, which authorizes state agencies and political subdivisions that have access to federal tax information to conduct criminal background checks on their employees and contractors. As the bill will not affect the current operations of the State Law Enforcement Division and the Department of Revenue, it will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

Explanation of Fiscal Impact

Introduced on February 24, 2021

State Expenditure

This bill is designed to ensure the compliance of state agencies and political subdivisions with Internal Revenue Service (IRS) Publication 1075 and authorizes these entities to obtain state and national criminal history background checks and investigations performed by the State Law Enforcement Division (SLED) and the Federal Bureau of Investigation (FBI) for all employees and contractors having access to federal tax information. The bill authorizes SLED to conduct fingerprint-based state and national background checks for state agencies, state institutions, and political subdivisions of the State which have access to federal tax information.

Employees and contractors of a state agency or a political subdivision having access to or using federal tax information must consent to a national background check, supply a fingerprint sample, consent to a state criminal history background check and investigation by SLED, and submit to a national criminal history background check by the FBI. These records will be shared with the employer or contracting agency or political subdivision. While state agencies and political subdivisions requesting background checks and investigations must pay for those investigative reviews, they may alternately require a person or entity with whom they contract to pay the costs associated with background investigations for all employees of the contractor. State agencies and political subdivisions required to conduct background checks and investigations must establish written policies concerning the implementation and use of these investigative reviews.

State Law Enforcement Division. The Revenue and Fiscal Affairs Office anticipates that the bill requires the State Law Enforcement Division (SLED) to perform activities that are

conducted in the normal course of SLED's business. Therefore, the bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

Department of Revenue. The Revenue and Fiscal Affairs Office anticipates that the bill requires the Department of Revenue (DOR) to perform activities that are conducted in the normal course of DOR's business. Therefore, the bill does not have an expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

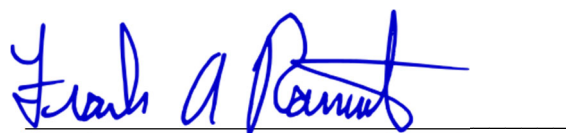
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director