



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4962 Signed by Governor on May 18, 2018
Author: Sandifer
Subject: Retaliatory Taxes
Requestor: House of Representatives
RFA Analyst(s): Gable
Impact Date: May 22, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no impact to the retaliatory tax revenue in the General Fund as no title insurance company subject to retaliatory taxes in South Carolina is expected to modify their reporting of premiums for tax purposes as a result of this bill.

Explanation of Fiscal Impact

Signed by Governor on May 18, 2018

State Expenditure

N/A

State Revenue

This bill clarifies that title insurers may only include the title insurers' portion of the premium, not the agents' portion, for retaliatory tax computation. The retaliatory tax is the tax imposed by South Carolina above the state tax rate on a foreign insurance company that equals the amount of taxes charged by the home state of the foreign company on a South Carolina based insurance company so that the insurance company may operate within that state. This clarification ensures that all title insurers are reporting only their portion of the premiums in the retaliatory tax on the worksheets. This bill may have a positive impact for South Carolina title insurers subject to retaliatory taxes in other states because these insurers may have been including both the title insurer's portion and the agent's portion of premiums.

According to the Department of Insurance, in TYs 2016 and 2017 only two title insurers remitted retaliatory taxes and neither company wrote any premiums for purposes of retaliatory tax

computation. Therefore, this bill is not expected to have an impact on retaliatory tax revenue in the General Fund.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director