

Income/Franchise:

South Carolina DOR May End COVID-19 Pandemic-Related Telecommuting Relief as of June 30

SC REVENUE RULING #22-x [DRAFT- 3/29/2022], S.C. Dept. of Rev. (3/29/22). A draft revenue ruling issued by the South Carolina Department of Revenue (Department) announces that its “temporary relief regarding a business’s establishment of nexus solely because an employee is temporarily working in a different work location due to COVID-19” and which most recently was scheduled to expire on March 31, 2022 [see SC Information Letter 21-31, S.C. Dept. of Rev. (12/21/21) and *State Tax Matters*, Issue 2022-1, for more details on this earlier Department guidance], will run through June 30, 2022. Specifically, the Department’s draft revenue ruling provides that it will *not* use the temporary change of an employee’s work location during the “COVID-19 relief period” from March 13, 2020 through June 30, 2022 to impose a South Carolina withholding requirement under S.C. Code section 12-8-520.

URL: <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/RR%2022-x%20Employer%20Wage%20Withholding%20Requirements.pdf>

URL: <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/IL21-31.pdf>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220107_14.html

The Department additionally explains that due to “changes in the work environment” including more employers “providing employees with greater flexibility to return to the office, work from home, or work remotely from anywhere on a permanent or flexible basis,” this draft revenue ruling attempts to provide guidance to employers of their “South Carolina withholding requirements under South Carolina Title 12, Chapter 8, for resident and nonresident employees, whether the employees are working in the employer’s office/location or working partially, primarily, or wholly remote from home or other remote location.” Comments on this draft revenue ruling are due by April 19, 2022. Please contact us with any questions.

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