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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Ralph King Anderson, III, Chief Administrative Law Judge

Case No. 19-ALJ-17-0416-CC

Tractor Supply Company,..... Appellant,

v.

South Carolina Department of Revenue, ... Respondent.

APPELLANT TRACTOR SUPPLY COMPANY'S FINAL REPLY BRIEF

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INTRODUCTION

As this Court has recently explained, applying rules of statutory construction is critical as "there is no surer way to reach the wrong end than to start at the wrong beginning." *Synovus v. S.C. Dep't of Rev.*, Op. no. 6076 at * 1-2 (Ct. App. July 31, 2024). TSC's[1] opening brief ("TSC's Brief") demonstrated that the ALC's ruling violates basic principles of statutory interpretation and misinterprets South Carolina precedent. The ALC ignored the statutory text and applied an indefensibly broad and incorrect legal standard for Step One, which caused additional errors and would lead to absurd results, make South Carolina an outlier, and negatively impact taxpayer reliance interests were the rulings upheld. In short, the ALC started at the wrong beginning, and sure enough, it then arrived at the wrong end. *Id.* For the reasons in TSC's Brief and further explained herein, the ALC erred at least twice with respect to Step One, first by applying an incorrect legal standard and then by finding the Department met its burden of proof under the incorrect standard. These errors were compounded by additional errors in Step Two.

The Department's Brief fails to acknowledge most of TSC's core arguments. Instead, the Department largely seeks to avoid Step One of the AA Statute by treating the AA Statute as one sweeping action, rather than applying the two-prong analysis that is required. *CarMax Auto Superstores W. Coast, Inc. v. S.C. Dep't of Rev.*, 411 S.C. 79, 88-90, 767 S.E.2d 195, 199-200 (2014) (holding the AA Statute "clearly evinces a two-part analysis[,]" and the Department bears the burden of proving each prong).[2] However, critically, Step Two of the AA Statute ***does not matter*** unless and until the Department first satisfies its burden of proof as to Step One. *Id.*

[1] Abbreviations used herein are the same as those in TSC's opening brief.

[2] As discussed in TSC's Brief, Step One requires the Department to prove the "statutory formula" (here, the sales factor) does not fairly represent TSC's business activity in South Carolina, and Step Two requires the Department to prove that its alternative formula (here, CUR) is reasonable and equitable. *CarMax*, 411 S.C. at 88-90, 767 S.E.2d at 199-200.

Only two South Carolina cases have addressed and applied Step One. *See CarMax*, 411 S.C. at 88-90, 767 S.E.2d at 199-200 *and Rent-A-Ctr. W. Inc. v. S.C. Dep't of Rev.*, 418 S.C. 320, 332, 792 S.E.2d 260, 266 (Ct. App. 2016). On the other hand, the parties in *Media Gen. Commc'ns, Inc. v. S.C. Dep't of Rev.*, 388 S.C. 138, 146, 694 S.E.2d 525, 529 (2010) had stipulated that Step One was met; thus, the Court never addressed, applied, or provided any guidance on Step One. Tellingly, the Department's Brief cites *CarMax* and *Rent-A-Ctr*. only once each (neither related to Step One), while the Department cites *Media General* dozens of times throughout its Brief. *See* Dep't Br. at 17 and 38-39 (as to *CarMax* and *Rent-A-Ctr.*) and *see generally* Dept. Br. (as to *Media General)*. This Court need never grapple with the holding in *Media General* unless and until Step One has been met, and even then, the issues that relate to Step Two here do not turn on the holding in *Media General*.

The Department's failure to acknowledge much less refute TSC's core arguments, including those based on a plain reading of the AA Statute and the requirement that any ambiguities in a taxing statute are construed in the taxpayer's favor, compel the conclusion that the ALC applied the wrong legal standard for Step One. In addition, the Department fails to acknowledge that it even bore the burden of proof much less explain how it met that burden. These are fatal errors, and on any one of these grounds, this Court should reverse the ALC's Order.

ARGUMENT

The Department's Brief emphasizes that this Court reviews fact issues for substantial evidence. Dep't Br. at 11. However, the bulk of the disputed issues in this case center on legal issues not factual ones, including (1) whether the ALC applied the wrong legal standard for Step One of the AA Statute; (2) whether the ALC's factual findings support its conclusion that the Department proved Step One; (3) whether the ALC misapplied the burden of proof for Step One;

(4) whether the ALC erred in finding that the AA Statute authorizes CUR in this case; (5) whether the ALC's factual findings support its conclusion that the Department proved Step Two of the AA Statute; and (6) whether the Department violated the APA. As the Department acknowledges, legal issues are reviewed *de novo*. *See id.* at 11-12; *see also S.C. Dep't of Rev. v. Blue Moon of Newberry, Inc.*, 397 S.C. 256, 260, 725 S.E.2d 480, 483 (2012) ("We will correct the decision of the ALC if it is affected by an error of law, and questions of law are reviewed *de novo*." (citations omitted)). Thus, the Court should review the issues in this appeal *de novo* unless otherwise noted. For the reasons set forth in TSC's Brief and further explained herein, the ALC's Order should be reversed.

I. THE ALC APPLIED THE WRONG LEGAL STANDARD FOR STEP ONE OF THE AA STATUTE.

This Court must determine the applicable legal standard for Step One of the AA Statute before deciding anything else in this matter. The parties disagree as to whether the Department must prove (1) the sales factor does not fairly represent TSC's South Carolina business activity (as TSC argues); or (2) separate reporting does not fairly represent TSC's South Carolina business activity (as the ALC held). *See* TSC Br. at 12. If this Court finds the answer is not clear, the choice is the former because ambiguities in a tax statute must be resolved in TSC's favor. *Alltel Commc'ns, Inc. v. S.C. Dep't of Rev.*, 399 S.C. 313, 321, 731 S.E.2d 869, 873 (2012) (finding statutory language was not "absolutely clear," and thus case must be resolved in favor of taxpayer). But here, the answer is clearly the former. And if the Department fails to meet Step One, the Court's inquiry in this matter is complete. *CarMax*, 411 S.C. at 88-90, 767 S.E.2d at 199-200.

A. The Correct Legal Standard for Step One Requires the Department to Prove TSC's Sales Factor does Not Fairly Represent its South Carolina Business Activity.

As TSC's Brief explains in detail, the correct legal standard for Step One requires the Department to prove that TSC's sales factor does not reasonably approximate the fraction of TSC's

total business activity (i.e., its business activity in all states) that occurred in South Carolina. *See* TSC Br. at 12-16. This position is supported by (at a minimum) the reasons set forth below.

First, the South Carolina Supreme Court has already established the legal standard applicable for Step One: the Department must prove "*that the statutory formula* does not fairly represent [TSC's] business activity in South Carolina[.]" *CarMax*, 411 S.C. at 89, 767 S.E.2d at 200 (emphasis added). The statutory formula here is TSC's sales factor. *See* TSC Br. at 12-16.

Second, had *CarMax* not already established the standard for Step One, applying basic principles of statutory construction reaches the same conclusion. *Id.*

Third, when applying the correct standard (i.e., when determining whether the standard has been satisfied), there is no need to create a "proxy" for TSC's South Carolina business activity to force the standard to work—the sales factor is the "proxy" for TSC's South Carolina business activity. TSC Br. at 12-16. Compare this to the wrong standard, which the ALC forced to work by saying "income" is a "proxy" for TSC's South Carolina business activity. *Id.* at 18-20.

Fourth, Step One and Step Two of the AA Statute work seamlessly and in harmony with one another when the correct standard is applied. *See* TSC Br. at 19-20.

Fifth, the standard is logical and grounded in the statutory framework. TSC's sales factor is designed to measure its South Carolina business activity—that is its purpose. *See* TSC Br. at 13-16. The apportionment provisions in Article 17 are designed to measure South Carolina business activity, applying those provisions generates a fraction (here, the sales factor) that is intended to represent the fraction of total business activity that takes place in this state, and the AA Statute is a relief valve at the end of Article 17 in case the apportionment provisions do not work as intended. *Id*. at 12-16. Relatedly, TSC is unaware of any reason that construing the AA Statute in this manner would lead to absurd results, and neither the ALC nor the Department has explained why it would.

Sixth, ***the Department provides no response*** to anything above. *See infra* at § I(C).

B. The Legal Standard Applied by the ALC for Step One is Incorrect.

The ALC required the Department to prove *separate reporting* does not fairly represent TSC's business activity in South Carolina. *See* R. 121, Order. That is the wrong standard for Step One. TSC Br. at 16-22. This position is supported by (at a minimum) the reasons set forth below.

First, it is not the same as the standard applied in *CarMax*, and thus, it is contrary to the standard established by the South Carolina Supreme Court.

Second, the standard is not the product of applying the rules of statutory construction to ascertain and effectuate the legislative intent of the relevant words in the AA Statute.

Third, the standard is a forced construction of Step One that expands its reach far beyond the legislative intent. *See id.* at 18-20. The ALC forced the standard to work by saying "income" is a "proxy" for TSC's South Carolina business activity. *Id.*[3]

Fourth, Step One and Step Two of the AA Statute no longer work seamlessly and in harmony with one another when the wrong standard is applied. *See* TSC Br. at 19-21. Applying the wrong standard in Step One and finding it satisfied by evidence that is irrelevant when the Statute is applied correctly caused the need to again forcibly misconstrue the plain language in the statutory text for Step Two. *Id.* at 19-21.

Fifth, the standard applied by the ALC does not make sense and leads to absurd results. *Id.* at 16-18, 21. Separate reporting is a filing method for tax returns—it is not designed to and does

[3] The ALC's justification is that TSC's business activity is retail sales and 99% of the TSC Group's "income" comes from retail sales. R. 122, Order. That logic would make the AA Statute collapse on itself for countless taxpayers as the same could be said about any retailer. The sales factor is designed for retailers and its purpose is to measure South Carolina business activity. TSC Br. 13-14.

not measure South Carolina business activity.[4] *Id.* at 16-18. South Carolina's rules for tax returns are in Article 37 (entitled "Tax Returns"), and surely the Legislature would not place the AA Statute at the end of Article 17 (entitled "Allocation and Apportionment") with the intent that Step One require a showing that a tax return is not working properly. Moreover, the ALC's standard can be satisfied by merely proving a taxpayer's FTI is lower than it should be, which would be caused by any improper business expense deduction, even something as simple as a single accounting error.[5] *Id.* at 21. It would be absurd for a single accounting error to satisfy Step One of the AA Statute, but the ALC's standard allows such absurd results. *Id.*[6]

Sixth, ***the Department provides no response*** to anything above. *See infra* at § I(C).

C. The Department Ignores the Entirety of Section I of TSC's Brief.

The Department's Brief provides no response to the entirety of Section I in TSC's Brief. *See* TSC Br. at 12-22. The Department, like the ALC, provides no explanation or justification for deviating from *CarMax*. It similarly fails to explain why applying a standard that ignores TSC's sales factor is appropriate or why TSC's sales factor is not the statutory formula.[7] The Department, like the ALC, also makes no attempt to engage in statutory construction of the relevant text to determine the legislative intent of those words in the context of the legislative scheme and the applicable legal standard for Step One, nor does the Department attempt to explain why TSC's analysis on this point is incorrect. *See* TSC Br. at 12-16.

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[4] The ALC and the Department incorrectly confuse "business activity" with "taxable income." A taxpayer can have substantial business activity in this state yet have no taxable income (or a loss).
[5] Here, a single business expense deduction (TSC's payment to TSC of Texas for procurement), which the ALC believed was too high, satisfied the ALC's wrong standard. *See infra* § III.
[6] It also is absurd for an allegedly high transfer price to satisfied Step One of the AA Statute, which is then "fixed" in Step Two by a different reporting method, while the *apportionment provisions* accomplished what they are designed to accomplish. TSC Br. at 21.
[7] In fact, the Department's Brief does not cite *CarMax* for anything related to Step One. *See* Dep't Br. at 38-39 (sole reference to *CarMax* and cited only as to a point related to Step Two).

Similarly, the Department provides no response to TSC's arguments that the ALC's standard is a forced construction of the AA Statute, that it destroys the harmony between Step One and Step Two that exists when the correct standard is applied, and that it leads to absurd results both in general and in this case. The Department also provides no response to the well-settled law that ambiguities in a tax statute must be resolved in favor of the taxpayer. *See* TSC Br. at 21-22, and 25 (discussing *Alltel*, 399 S.C. at 321, 731 S.E.2d at 873). In fact, it does not even cite to *Alltel* in its brief thus completely ignoring this important safeguard for taxpayers.

This Court must first determine the proper standard for Step One. The language of the AA statute is clear, *CarMax* is clear, and even if the Court is not absolutely convinced, TSC's interpretation of Step One is at least reasonable, and thus, the Court should find that Step One requires the Department to show that the *sales factor* fails to fairly represent TSC's business activity in South Carolina. Because the ALC applied the wrong standard, this Court should reverse the Order.

II. THE DEPARTMENT FAILED TO MEET ITS BURDEN OF PROOF AS TO STEP ONE OF THE AA STATUTE UNDER THE CORRECT LEGAL STANDARD.

TSC's Brief argued that the Department failed to meet its burden of proof as to Step One of the AA Statute under the correct legal standard. TSC Br. at 22. The correct standard requires the Department to prove the sales factor is not a reasonable approximation of TSC's South Carolina portion of its everywhere business activity. *Id.* at 12-16. The Department never argued nor presented any evidence proving that the sales factor failed to accomplish that, thus, the ALC would have concluded the Department failed to satisfy Step One had it applied the correct standard. *Id.* at 22.[8] The Department's Brief is silent on this issue.

[8] Moreover, the Department could not prove the sales factor did not work as intended because (as no party disputed and the ALC correctly found) TSC's business activity in South Carolina is its retail sales (R. 118, Order), and the sales factor is not only reasonable but the obvious choice for measuring a retailer's business activity. Instead of focusing on the sales factor, the Department

The ALC correctly acknowledged that the sales factor accurately measures TSC's South Carolina business activity when it found that but for the procurement charge issue, "I would conclude that separate reporting resulted in a fair representation of TSC's business activity in this state." R. 126, Order. This finding combined with the lack of evidence presented by the Department that the sales factor did not properly measure TSC's business activity and the Department's failure to respond to and overcome TSC's argument compel the conclusion that the ALC should have found that the Department failed to satisfy the correct standard. The ALC's Order should thus be reversed.

III. THE DEPARTMENT FAILED TO PROVE THE PROCUREMENT CHARGE DID NOT SATISFY THE ARM'S LENGTH STANDARD AND THUS DID NOT SATISFY STEP ONE EVEN UNDER THE WRONG STANDARD.

The driving force and sole identifiable reason the ALC found the Department satisfied its burden of proof for Step One is based on its finding that "a preponderance of the evidence shows that Texas's 9.7% markup on inventory charged pursuant to the Procurement Agreement does not meet the arm's length standard." R. 93 and 121-128, Order. The Department bore the burden of proof, which cannot be satisfied absent providing specific evidence and a sound evidentiary basis for its positions. *See CarMax*, 411 S.C. at 89-90, 767 S.E.2d at 200; *Rent-A-Center*, 418 S.C. at 332-33, 792 S.E.2d at 267. The ALC's finding is not supported by any evidence, much less substantial evidence, or specific evidence with a sound evidentiary basis, and thus should be reversed.

(like the ALC) focused on irrelevant evidence. *See* TSC Br. at 16-18. The Department never responds to TSC's argument that the use of an incorrect standard led the ALC to focus and rely on irrelevant evidence (such as whether the procurement charge was an arm's length charge) and ignore relevant evidence (such as whether the sales factor properly reflects TSC's business activity in South Carolina). *Id*. Moreover, the Department's Brief continues to rely on some of the same irrelevant evidence and ignores some of the same relevant evidence as the ALC did.

A. The ALC's Finding that the Department Proved the Procurement Charge Failed to Satisfy the Arm's Length Standard is Not Supported because the Department Failed to Provide an Arm's Length Standard.

The ALC's finding cannot be supported absent having an Arm's Length Standard (or range of correct transfer prices). TSC Br. at 32. The Arm's Length Standard is the key to the § 482 Regulations. *Id*. at 29-30. A "correct transfer price" is one that satisfies the Arm's Length Standard, the Arm's Length Standard is a range of results, and there are a range of "correct transfer prices" because a range of prices would satisfy that range of results. *Id.* at 29-30, 32. The ALC's specific finding is that the Department proved the procurement charge failed to satisfy the Arm's Length Standard (R. 93, Order), which led the ALC to rule that the Department met its burden of proof for Step One. *See id*. and *id.* at 121-128. This key finding cannot be supported absent the ALC having evidence of either (1) a range of results the ALC views as the Arm's Length Standard; or similarly (2) a range of correct transfer prices that if used would satisfy the Arm's Length Standard. TSC Br. at 32. The ALC had neither because the Department did not present evidence of a suggested correct Arm's Length Standard, a suggested range of correct transfer prices, or even a single suggested correct transfer price—not even an estimate of any of the foregoing. *Id.*[9]

B. Even Assuming Evidence other than a Suggested Correct Arm's Length Standard could Potentially Support the ALC's Finding, the Department Presented No such Relevant Evidence.

Even if facts other than a suggested correct Arm's Length Standard could potentially support the ALC's finding, the Department did not present any such relevant evidence. "Substantial evidence" is based on quality, not quantity, and thus identifying evidence claimed to support the ALC's finding is not enough; there must be a rational basis for the evidence to serve

[9] To be clear, if the ALC had an Arm's Length Standard or a range of correct transfer prices, that alone is not enough. It must be a reliable Arm's Length Standard or range of correct transfer prices, based on facts and determined by someone with appropriate expertise.

as support for the conclusion. *See, e.g., Risher v. S.C. Dep't of Health & Env't Control*, 393 S.C. 198, 210, 712 S.E.2d 428, 434 (2011) ("Substantial evidence is evidence which, considering the record as a whole, *would allow reasonable minds to reach the conclusion*[.]" (emphasis added)).

The Arm's Length Standard represents the price (which is a range of prices) a third party would charge TSC for the procurement function. Had the Department presented evidence showing companies TSC could hire to take over the procurement function that would charge substantially less than the 9.7% markup, and TSC was unable to rebut such evidence, that could be viewed as *facts* that reasonable minds could say supports the conclusion that the Department proved the procurement charge failed to satisfy the Arm's Length Standard. The Department presented no evidence, and the record contains no facts, that reasonable minds could view as support for that conclusion. TSC Br. at 33-37. The ALC improperly ignored the lack of specific evidence and a sound evidentiary basis in coming to a contrary conclusion. *Id.* at 34. No facts or evidence support finding the Department proved the procurement charge failed to satisfy the Arm's Length Standard.

C. The ALC and the Department Rely on Evidence that has No Probative Value and Provides No Support for the ALC's Finding the Department Proved the Procurement Charge Failed to Satisfy the Arm's Length Standard.

The Department's Brief provides no clear response to the arguments in TSC's Brief, including those above in § III (A)-(B). If the record contained specific evidence and a sound evidentiary basis supporting the ALC's finding on this key issue, it would be front and center and clearly presented in the Department's Brief. It is not, because no such evidence exists.

Instead, the Department first provides a lengthy discussion about why the TSC Group should be considered a unitary business, which is an uncontested issue. Dep't Br. at 24-27.[10] Next,

[10] The Department also cites two Maryland cases the ALC did not rely upon, and neither provide support for anything relevant in this case. Dep't Br. at 25-26.

the Department appears to incorrectly state that TSC's Brief is arguing that it is not a retailer or that its business activity in South Carolina is not retail sales. *Id.* at 27-28.[11] Finally, the Department provides a lengthy argument that is supposedly evidence supporting the ALC's conclusion that the Department proved the procurement charge failed to satisfy the Arm's Length Standard, which served as the basis of its ruling Step One was met. *See generally id*. at 28-37.

More specifically, the Department's Brief ping pongs back and forth describing events from 2001 all the way through the relevant period (i.e., the audit years), describing how the entities in the TSC Group are related parties, discussing comparisons of random financial data that is *within the TSC Group* (such as comparing TSC's sales revenue to TSC's taxable income, comparing TSC's taxable income to TSC of Texas's taxable income, and "before and after" transfer pricing comparisons of miscellaneous financial data), along with bald assertions throughout that things are not "arm's length" and that "nobody would agree" to this at arm's length. *Id.*

As previously discussed, the Arm's Length Standard for the procurement charge is the price a *third party* would charge TSC for the procurement function. Yet the Department focuses only on "facts"[12] from the 2001 Restructuring and comparisons of random financial data *solely within the TSC Group* from the audit years, and bald assertions that "nobody would agree" to pay that much to *a third party* for procurement during the audit period.[13] The real questions are (1)

[11] The Department's suggestion is odd as TSC has adamantly argued throughout this case that it is a retailer everywhere including in South Carolina, which is why the sales factor is a perfect method for measuring its South Carolina business activity. *See, e.g.*, TSC Br. at 12-22.

[12] TSC disagrees with many statements throughout the Department's Brief related to the 2001 Restructuring. Because the 2001 Restructuring and facts related thereto are not relevant to anything in this case or relied on by the ALC, TSC is not responding to all of these baseless allegations.

[13] The Department's Brief incorrectly states "the ALC appropriately considered the 2001 Tax Restructuring under a § 482 analysis," followed by a confusing description of the same. Dep't Br. at 36-37. The ALC did not do what the Department describes here, which is also unclear and flawed. *Id.* The Department also appears to discuss a concept based on the applicability of I.R.C. 367(d), which the ALC appropriately did not consider because it is not applicable in this case. *Id.*

where are the third parties; (2) where is the evidence of what those third parties would charge for procurement; and (3) where is the Department's suggested Arm's Length Standard or suggested correct range of transfer prices or even *one* suggested correct transfer price? The answer to all these questions is they do not exist because the Department presented no such evidence.[14]

The ALC's finding the Department proved Step One is entirely based on its finding the Department proved the procurement charge failed to satisfy the Arm's Length Standard. R. 93, 121-128, Order. The substantial evidence standard is not satisfied based on the number of facts claimed to support the conclusion. *Risher,* 393 S.C. at 210, 712 S.E.2d at 434. There must be a rational basis for those facts to support the conclusion such that when considering the record as a whole, the evidence that would allow *reasonable* minds to reach the conclusion. *Id.* There is no Arm's Length Standard (*supra* § III(A)) nor facts that would allow reasonable minds to conclude the Department proved the procurement charge does not satisfy the Arm's Length Standard.

IV. THE ALC'S INCORRECT FINDING THE DEPARTMENT PROVED STEP ONE IS ALSO THE PRODUCT OF IMPROPER BURDEN SHIFTING.

The ALC's finding that the Department met its burden to establish Step One is also the product of improper burden shifting. TSC Br. at 38-40. The Department has hidden from the burden of proof and tried to shift it to TSC this entire case. The Department alleged "income shifting" within a unitary business years ago during the audit based solely on the presence of the procurement charge (i.e., TSC is "shifting income" to TSC of Texas by paying a procurement

[14] The Department also provides no clear response to TSC's assertion that the ALC performed a flawed transfer pricing analysis, including application of a novel, subjective "reasonableness test" that does not exist in the § 482 Regulations. TSC Br. at 33-37. The ALC appears to incorrectly believe that the § 482 Regulations require a transfer price both satisfy the Arm's Length Standard *and* be "reasonable." *See, e.g.*, R. 79, 81, n. 23 and 124, n. 64, Order and TSC Br. at 33-37. No such reasonableness test exists, and the ALC relied on evidence having no probative value as supporting the conclusion the procurement charge failed to satisfy the Arm's Length Standard. *Id.*

charge). The Determination affirmed the audit, and the Department has thereafter acted like the burden of proof is on TSC to prove the "income shifting" is justified.[15] The Department did the same at trial, and the ALC erred by accepting the Department's flawed view of where the burden of proof lies. *See, e.g.*, R. 77, Order; TSC Br. at 38-40.[16] The Department's Brief fails to acknowledge it bore the burden of proof and instead implies TSC did.[17] The Department bears the burden, not TSC, and the ALC failed to properly apply this burden.

To be clear, TSC fully agrees it is possible the Department could provide sufficient evidence such that the Department's burden of proof for Step One could be met if TSC is unable to refute that evidence, as though a "burden shift" has occurred. But here, no such evidence was presented. The Department alleged income shifting, and the ALC spent the entire trial focused on whether evidence proved the procurement charge *was* an arm's length price (which clearly is not evidence the Department will present), first by focusing on the PwC Study that TSC was not even relying on[18] and then by evaluating whether TSC's expert proved the same. TSC Br. at 37-40.

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[15] *See, e.g.*, R. 190, Dep't Pre-Hearing Statement (describing the expected claims and defenses as "Petitioner asserts" that the standard method fairly represents its business activity and supports its position with a transfer pricing study, but "[c]ontrary to Petitioner's claim" its business activity is not fairly represented (and no mention of the transfer pricing study)); R. 209-210, Dep't Am. Pre-Hearing Statement (years later and right before trial, similarly describing the expected claims and defenses as "Petitioner asserts" that the standard method fairly represents its business activity and that its intercompany transactions are arm's length prices and supported by a transfer pricing study, and that "[i]n response to Petitioner's claims, the Department asserts" that TSC is incorrect and that the transfer pricing study is flawed). The Department acts like TSC has "claims" that it must prove, which is incorrect.

[16] If the Department seeks to prove Step One by showing the procurement charge fails to satisfy the Arm's Length Standard, then it must actually prove that. TSC need not prove the charge *does* satisfy the Arm's Length Standard, rather, the Department must prove it does not.

[17] *See, e.g.*, Dep't Brief at 35 (stating that the 2014 PwC transfer pricing study "*was the only evidence TSC offered* to suggest that the standard apportionment method fairly reflected its business activity in South Carolina[.]") (emphasis added).

[18] The Department's Brief suggests that TSC relied on the PwC Study at trial as proof the procurement charge satisfied the Arm's Length Standard. Dep't Br. at 2 and 35. The ALC did the same, which is simply not true. *See* TSC Br. at 37, n. 30. Moreover, the ALC and Department's

The ALC seemingly was so focused on whether *TSC* could prove the charge *does* satisfy the Arm's Length Standard that it failed to recognize the complete absence of any evidence from *the Department* showing the charge does *not* satisfy the Arm's Length Standard. *See* TSC Br. at 38-40. The ALC suggested that TSC and its transfer pricing expert failed to rebut the Department having already established its burden of proof for Step One (R. 123, Order), but the Department presented no relevant evidence that the procurement charge did not meet the Arm's Length Standard in the first place for TSC to rebut. TSC Br. at 38-40. If all the Department must do is point to a taxpayer's intercompany charge and call it "income shifting" for the burden of proof to then shift to the taxpayer to prove that the charge is an arm's length price and thus "justified," that is no different than placing the burden of proof on the taxpayer from the beginning. The burden of proof rested with the Department and should have remained on it until it presented sufficient evidence to meet it, which the Department failed to do. The Department's Brief provides no clear response to TSC's arguments and instead continues to ignore it bears the burden of proof. This Court should find that the ALC's finding that the Department met its burden of proof for Step One is the product of improper burden shifting, and the Order should thus be reversed.

V. THE ALC ERRED IN REJECTING TESTIMONY FROM TSC'S TRANSFER PRICING EXPERT.

The ALC improperly rejected Andrade's testimony and his suggested Arm's Length Standard for immaterial reasons. TSC Br. at 40-42. Andrade has substantial experience, his work was diligent and supported, and he provided the only Arm's Length Standard for the procurement

use of the PwC Study is flawed. The study merely did not use the best method, which says nothing about whether the procurement charge did or did not satisfy the Arm's Length Standard. *Id.* at 38. In addition, as the Department agrees, the purpose of a transfer pricing study is penalty protection, which is not at issue in this case (and even when at issue does not matter unless the price used is determined to be substantially wrong). *See* Dep't Br. at 36.

charge in this case. *Id.* The Department's Brief provides no meaningful response to TSC's Brief nor supports the ALC's rejection of Andrade's testimony. *See* Dep't Br. at 37-38.

The Department incorrectly states Andrade's 50/50 split was arbitrary (*id*.); rather, the 50/50 split was both supported and conservative. *See* TSC Br. at 40-42.[19] The Department's remaining criticism is that if penalties were at issue, Andrade's work would not provide penalty protection because "his analysis occurred years after TSC filed its returns." *Id*. at 38. However, this *supports* the reliability of Andrade's work because a study prepared after the fact is more reliable. A study prepared before the tax years for which it is used has less data and is predicting future arm's length prices, whereas a study prepared after the fact has more data and hindsight.[20]

Finally, the Department's Brief provides *more* support for Andrade's testimony when it highlights that TSC was substantially more profitable than similar retailers like Walmart, Lowes, Home Depot, and others. Dep't Br. at 40, n. 26. Those values are based on the TSC Group as a collective unit, which are similarly being compared to those other retailers and their related entities viewed as single units. Thus, something in the TSC Group is unique and making it substantially more profitable than other large retailers. Those retailers have brick and mortar retail stores, benefit from economies of scale, have intellectual property, etc., but none has the TSC Group's procurement function. TSC says its procurement function is special and generating substantial

[19] The Department suggests otherwise, but Andrade's methodology was consistent with the § 482 Regulations, it does not matter whether a court has approved his methodology, and the Department cites no authority showing otherwise. Dep't Br. at 37-38.

[20] For example, a study prepared in 2024 for use in 2025 is using data from 2024 and earlier to predict the arm's length price of something in 2025. In 2026, actual data from 2025 is available and can be used to determine the arm's length price in 2025. Andrade explained that one reason he did his own analysis is because he had the benefit of hindsight and more data, unlike the PwC Study, which was forward looking. R. 1568:16-1570:1.

value, the PwC Study says the same despite not using the best method, and Andrade says the same. If not procurement, then what is it? Neither the Department nor the ALC answers that question.

VI. THE DEPARTMENT IGNORES CORE ISSUES WHILE FOCUSING SUBSTANTIAL TIME MAKING UNSUPPORTED STATEMENTS AND DISCUSSING IRRELEVANT OR UNCONTESTED ISSUES.

The Department's Brief ignores most of TSC's core arguments (*see e.g., supra* §§ I-IV) while spending many pages discussing irrelevant or uncontested matters, such as (for example) the 2001 Restructuring (*see, e.g.*, Dep't Br. at 2, 8-9, 28, 32, 34-35, and 40), why the TSC Group should be considered a unitary business (*id*. at 25-27), how CUR (in general) is not unconstitutional (*id.* at 17-19), and the alleged benefits (also in general) of CUR (*id.* at 42-44). The 2001 Restructuring is not relevant to any issue in the case (*see infra* next paragraph), TSC's Brief did not contest that it is a unitary business, and this is not a legislative hearing to determine if South Carolina should adopt CUR.

The Department also peppers its brief with statements that attempt to make the TSC Group seem nefarious, but these statements are baseless, unconnected to any legal issue in the case, and thus likewise should not distract the Court. Examples (with brief responses) include:

- Discussions of the tax motives related to the 2001 Restructuring, which the Department characterizes as a nefarious tax scheme. *See, e.g.*, Dep't Br. at 2, 8-9, 28, 32, 34-35, and 40.
    - TSC Response: The 2001 Restructuring is not relevant to any issue in this case, nor was it used by the ALC as support for anything. Rather, the ALC found Step One was satisfied based on its belief that the Department proved the procurement charge during the audit period failed to satisfy the Arm's Length Standard. *See* R. 93 and 121-128, Order.[21] The Department's extensive focus on the 2001 Restructuring as

[21] The ALC does state that "the underlying corporate structure created an environment *in which the transfer price was used* to shift income." R. 126, Order (emphasis added). But as the Order makes clear, the ALC views the transfer price as causing the distortion, which then allows TSC "to take advantage of separate reporting." *Id.* The ALC found Step One was met because of the procurement charge (and the ALC's belief it was a non-arm's length price), not the 2001 Restructuring or the resulting organizational structure. *Id.* at 121-123. The ALC correctly

being supportive of the ALC's finding that Step One was met is thus perplexing.[22]

- Saying multiple times that TSC of Texas does not charge anything for the use of its IP to avoid having nexus with South Carolina. *See e.g.*, Dep't Br. at 32-33 and 35.

    - TSC Response: There is no factual basis for this statement. More importantly, it is irrelevant to any issue in this case, including proving Step One and Step Two. The Department's claims center on criticisms about TSC paying too much to TSC of Texas, yet here, it criticizes TSC for not paying more to TSC of Texas.

- Saying that the TSC Group uses journal entries for intercompany payments rather than exchanging cash. *See e.g.*, Dep't Br. at 10 (including n. 6) and 15.

    - TSC Response: As the ALC properly found, journal entries are not an uncommon business practice for large companies (R. 70 , n. 8, Order), and they have the same economic effect on the books of the companies. *See e.g.*, R. 1280:21-25.

In sum, the Court should not be distracted by the Department's focus on irrelevant matters and baseless allegations related to the same.[23]

VII. COMBINED UNITARY REPORTING VIOLATES THE PLAIN LANGUAGE OF THE AA STATUTE AND IS NOT AUTHORIZED IN THIS CASE.

A. The Use of CUR In This Case Violates the Plain Language of Subsection (A)(4) of the AA Statute.

The plain language in subsection (A)(4) of the AA Statute allows the Department to require the use of "any other method" *provided* the method "effectuate[s] an equitable . . . apportionment

understood that if the procurement charge met the Arm's Length Standard, Step One could not be met even under the wrong standard. *Id.*

[22] The Department also ignores the ALC's brief discussion and findings related to the 2001 Restructuring. The ALC acknowledged that tax savings were considered in deciding upon the resulting organizational structure (*see id.* at 67), which TSC readily agrees. The ALC correctly found that "tax minimization strategies are often part of good business and good tax advice." *See id.* and *id.* at n. 5. It also correctly did not find TSC had no business purpose for the 2001 Restructuring or that tax minimization was the only goal of the restructuring. *Id*.

[23] To be clear, the Department's Brief is full of unsupported statements that TSC has not identified or responded to because the statements, while unsupported, are focused on irrelevant issues. This should not be construed as TSC's agreement with any such statements.

of *the taxpayer's income*." S.C. Code Ann. § 12-6-2320(A)(4) (emphasis added).[24] The meaning of "the taxpayer's income" in subsection (A)(4) is TSC's FTI as modified by Article 9. *See* TSC Br. at 23. The use of CUR in this case does not "apportion[] the taxpayer's income" within the meaning of that phrase in subsection (A)(4) in violation of the requirements imposed by the plain language of the statutory text. *Id.* at 23-25. The statutory text is clear, but at an absolute minimum, TSC's interpretation is at least reasonable, and, therefore, the AA Statute must be construed in its favor. *Alltel*, 399 S.C. at 321, 731 S.E.2d at 873.

The Department's Brief ignores the entirety of § II(A) in TSC's Brief, which addresses this argument. TSC Br. at 23-25.[25] The Department and the ALC fail to consider the plain language of subsection (A)(4) or apply the rules of statutory construction to ascertain and effectuate the legislative intent of the AA Statute. The Department and the ALC also fail to acknowledge that ambiguities must be resolved in favor of the taxpayer. *Alltel*, 399 S.C. at 321, 731 S.E.2d at 873.

B. The Department Mischaracterizes TSC's Arguments and Uses *Media General* Improperly.

TSC disagrees with the ALC's and Department's view of the method approved in *Media General*. *See* TSC Br. at 25-28. But critically, TSC has no arguments that turn or depend on what *Media General* actually approved. The Department's Brief mischaracterizes TSC's argument as being CUR can *never* be allowed under subsection (A)(4), thus giving the Department an

[24] The Legislature recently passed S. 298 (signed into law by the Governor on March 11, 2024), which amended subsection (A)(4) of the AA Statute and added a new subsection (B) related thereto. S.C. Code Ann. § 12-6-2320 (2024). As this amendment does not apply to cases at the ALC or the appellate courts, all cites to the AA Statute herein will be to the prior version.

[25] The Department's Brief suggests it responds to Section II(A) of TSC's Brief by citing to it at 23-25 and mischaracterizing TSC's arguments as "TSC contends the ALC incorrectly interpreted section 12-6-2320(A)(4) and *Media General* to find the Department has authority to require combined unitary reporting in this case." *See* Dep't Br. at 22. The ALC did not interpret § 12-6-2320(A)(4), so that part is incorrect, and there is no mention of *Media General* in § II(A) of TSC's Brief. *Media General* is first discussed at the bottom of TSC's Brief in § II(B) on page 25.

opportunity to argue that the holding in *Media General*, which TSC contends does not support the Department's position,[26] is the deciding factor on this issue. *See* Dep't Br. at 21-24. The ALC did the same to avoid the plain language of (A)(4) that forbids CUR in this case. *See* Order at 42 (saying the ALC "does not need to engage in statutory construction" because *Media General* already held (A)(4) allows CUR).[27]

However, TSC is not arguing CUR can never be allowed under (A)(4). The Department's (and ALC's) logic is such that if CUR can *ever* be authorized by (A)(4), then no fact pattern can possibly exist where CUR would not be authorized by (A)(4). That logic is flawed, and nothing supports it. That is particularly true here where the taxpayers in *Media General* wanted to use CUR and thus clearly were not arguing it was not allowed. *See Media General*, 388 S.C. at 143-44, 694 S.E.2d at 527.

Accepting as true the Department's and ALC's view of *Media General* does not answer the question of whether CUR is authorized in this case. TSC's arguments are specifically based on the facts in this case, which are significantly different than those in *Media General*, and TSC is making arguments not made in that case, such as CUR does not "apportion[] the taxpayer's income" in this case within the meaning of that phrase in (A)(4) in violation of the requirements imposed by the plain language of the statute. *See supra* at § VII(A). The ALC should have applied rules of statutory construction to ascertain and effectuate the legislative intent of (A)(4) to

[26] The Department's view of *Media General* is not realistic. *See, e.g.*, Dep't Br. at 24 ("Accordingly, in light of . . . the plain language of section 12-6-2320(A)(4), and the Supreme Court's clear holding in Media General, the ALC correctly held the Department has the statutory authority to require combined unitary reporting[.]"). The parties and ALC would not be digging into the original ALC order in *Media General* for the purpose of understanding the Supreme Court's holding were it clear. *See, e.*g., Dep't Br. at 22 and 24; R. 108-110, Order.

[27] In addition, the bulk, if not all, of the cases the Department cites from other jurisdictions as purportedly finding CUR is allowed by a statute based on Section 18 of UDITPA, do not actually do so, and certainly not in a fact pattern like the one here. TSC will not explain each of these cases because they are red herrings. TSC is not arguing CUR can never be allowed by the AA Statute, and it is also not arguing it can never be allowed under unknown statutory schemes in other states.

determine whether CUR is authorized in this case, but the ALC refused. *See* TSC Br. at 23-28. Had it done so, it would have found CUR is not authorized here. *Id*.

VIII. CUR IS NOT REASONABLE OR EQUITABLE IN THIS CASE.

The Department's actions in this case are not reasonable or equitable under any standard,[28] including Step Two of the AA Statute, and CUR fails the test for reasonableness. The Department's Revenue Ruling 15-5 gives correct guidance to taxpayers about choosing a reasonable alternative method under Step Two, but here the Department did not do what its written policy requires, which is not reasonable or equitable as to TSC, is bad for the entire business community, and caused CUR to fail part of the test applied for reasonableness. The Department's Brief responds by ignoring the arguments in TSC's Brief, shying away from the reasonableness test the Department adopted, and discussing largely irrelevant issues.[29]

A. The Department Fails to Follow its Written Policy Regarding the Selection of a "Reasonable" Alternative Method, and CUR Fails the Reasonableness Test.

The Department's ruling states, and TSC agrees, that "any alternative apportionment method should be determined in relation to the reasons the standard statutory method does not fairly represent the business activity in the state." R. 3728, Rev. Rul. 15-5. In addition, all parties agree the Department's burden for Step Two requires it to prove that its use of CUR is "reasonable." The Department interprets the "reasonable" requirement as being satisfied only when the first and third components are satisfied in the test set forth in *Twentieth Century-Fox Film Corp. v. Dep't of Rev.*,

[28] The ALC ignores the heightened equitable standard in the plain language of (A)(4), which it justifies by saying the words have similar definitions in Black's Law Dictionary. TSC Br. at 47-48. The Department's Brief uses a similar approach to do the same. Dep't Br. at 20, n. 17.

[29] The Department also defends its actions by saying the Legislature gave it "discretionary authority" to invoke the AA Statute and to select an alternative method it deems appropriate. Dep't Br. 38. Entrusting the Department with discretionary powers is not a license to abuse such powers, nor does it excuse the Department not following its ruling or failing the reasonableness test.

700 P.2d 1035 (1985). *See* R. 3727-28, Rev. Rul. 15-5; R. 2161:20-2162:19. That is also the standard the ALC applied for Step Two. R. 133-134, Order. TSC agrees satisfying those components is a fair interpretation of the "reasonable" requirement in the AA Statute because it is consistent with the statutory text. *See* TSC Br. at 43-44. But here, the Department did not do what its own ruling requires, and CUR does not pass the first and third components of the *Twentieth Century-Fox Film* test (the first and third components collectively being the "Test").[30]

The first part of the first component of the Test requires the alternative method *fairly represent* the taxpayer's business activity in this State. *See id*. at 44. The ALC concluded TSC's South Carolina business activity was not fairly represented because the procurement charge failed to satisfy the Arm's Length Standard. *Id.* Clearly, that means part one of the first component would be satisfied by adjusting the charge to one that is an arm's length price. *Id.* Thus, two birds, one stone—the Department could both (1) do what its ruling requires, and (2) satisfy part one of the first component of the Test by adjusting the charge to an arm's length price. *Id.* Yet here, the Department instructed its transfer pricing expert *not* to provide what he deemed a correct arm's length price. *See, e.g.*, R. 81, n. 23, Order (saying "DeRamus was not contracted to . . . determine what the correct transfer price would be[.]"). Also, the use of CUR effectively makes the procurement charge 0%. This is clearly below an arm's length price and thus a gross over-correction of the alleged issue, and it causes CUR to fail the first component of the Test. *Id.* at 45.

Part two of the first component of the Test requires that the use of CUR "if applied uniformly would result in taxation of no more or no less than 100% of taxpayer's income[.]"

[30] The Department's Brief references the Test (Dep't Br. at 39) yet fails to clearly state it applies. However, the Department's ruling references it (R. 3727-28, Rev. Rul. 15-5), its 30(b)(6) witness confirmed its applicability (*see* R. 2161:20-2162:19), the ALC applied it (R. 133-134, Order), and it is consistent with the text of the AA Statute (TSC Br. at 43-44).

Twentieth Century-Fox, 700 P.2d at 1043. Neither the ALC nor the Department attempt to explain how CUR passes that part of the Test. As previously explained, it does not. *See* TSC Br. at 46-47.

The third component of the Test requires proof that "the division of income reflects the economic reality of the business activity engaged in by the taxpayer in [South Carolina]." *Twentieth Century-Fox*, 700 P.2d at 1043. The ALC fails to explain how this component was satisfied (TSC Br. at 46-47), and the Department's Brief ignores it completely.

In sum, the Department is simultaneously refusing to follow its own ruling, which, ironically, causes it to fail part of the Test being applied for the "reasonable" requirement in the AA Statute, and CUR also fails the rest of that Test. The ALC erred in finding the Department satisfied that Test and in finding the Department met its burden of proof for Step Two.

B. The Department's Brief Focuses on Irrelevant Points, None of which Support a Finding that CUR is Reasonable or Equitable in this Case.

The entirety of Section III of the Department's Brief, which argues the ALC correctly found CUR is reasonable and equitable as required by Step Two of the AA Statute, discusses irrelevant evidence and points and lacks merit. *See* Dep't Br. at 39-44. The Department discusses items such as the AA Statute grants discretionary powers, CUR is not unconstitutional, Revenue Ruling 15-5 provides guidance, the TSC Group is related and has intercompany transactions, and a lengthy discussion about the 2001 Restructuring, all of which is irrelevant and some which is uncontested. *Id.* at 38-41. The Department also discusses how both tax policy experts are proponents of CUR as though the issue is whether the Legislature should adopt it (which it is not), that over 20 states have adopted it, that TSC uses CUR in states that require CUR, and that TSC used CUR once here in 2012 after a prior audit and then switched back to separate reporting because it was allowed to. Dep't Br. at 38-41. Nothing described above is evidence that supports a finding that the Department met its burden of proof for Step Two.

Finally, the Department's argument that CUR is reasonable and equitable because it "corrects the distortion" or "fixes the distortion" allegedly caused by the 9.7% procurement charge is incorrect and instead further illustrates how CUR is grossly overtaxing TSC compared to its business activity in this state. *Id.* at 41-42. The use of CUR here means that the 9.7% markup on the procurement charge goes to 0%. *See* TSC Br. at 45. If the procurement charge is 0%, it would cause TSC to have about 80% of the TSC Group's FTI, and it would cause TSC's use of separate reporting to result in about as large of an amount of tax owed to this state as CUR does. *Id.* The Department's Brief is merely describing that dynamic. Dep't Br. at 41-42. If the arm's length price for procurement is above 0%, which it clearly is, then both (1) the Department's argument collapses, and (2) CUR is overtaxing TSC compared to its business activity in this state, which is neither reasonable nor equitable. TSC Br. at 45. The Department failed to present any evidence, much less substantial evidence that it met Step Two, and in fact, the evidence shows that the use of CUR is not reasonable or equitable.

IX. THE ALC ERRED IN NOT FINDING THE DEPARTMENT'S USE OF CUR HERE VIOLATES THE APA.

The Department's Brief provides no clear response to TSC's arguments on the APA. Dep't Br. at 44-46. TSC is not arguing that Revenue Ruling 15-5 violates the APA, rather the ruling supports the finding that the use of CUR here violates the APA. TSC Br. at 48-50. The Department's actions make clear it believes CUR is the *best* way to measure a taxpayer's South Carolina business activity when it is part of a unitary business, which leads to selective and arbitrary enforcement of the AA Statute against a specific group in violation of the APA.

The Department required CUR without knowing whether the procurement charge was an arm's length price and solely based on TSC being a member of a unitary business that paid a related party. *See, e.g.*, R. 73, Order. The Department's Brief states "TSC *had known since 2010*

that the Department believed combined unitary reporting was necessary to fairly reflect the extent of TSC's business activity in South Carolina." Dep't Br. at 46 (emphasis added). The Department views a unitary business as having "unquantifiable flows of value among related entities," (Dep't Br. at 2, n. 2), it viewed the TSC Group as a unitary business with this "flow of value," (*id.* at 14), and it believes *the purpose of CUR* is to *capture* these "unquantifiable transfers of value" that exist in *every* unitary business. *Id.* at 18.[31] The Department's arguments for why CUR is reasonable *in this case* would largely apply in any case CUR is required. *See, e.g., id*. at 42-44.

The Department's widespread use of CUR is also evidenced by the need to issue Revenue Ruling 15-5. States with similar statutes have found a taxing agency's intended regular use of an alternative apportionment method—which taxing agencies only do when concluding an alternative method is better than the standard method for a specific type of taxpayer/industry—was tantamount to rulemaking that cannot be done absent promulgating a regulation under the state's APA. *See, e.g., CBS Inc. v. Comptroller of the Treas.*, 575 A.2d 324, 330 (Md. 1990); *Metromedia, Inc. v. Dir., Div. of Tax'n*, 478 A.2d 742, 754-755 (N.J. 1984). This is entirely consistent with *Equifax, Inc. v. Mississippi Dep't of Rev.*, 125 So. 3d 36, 45 (Miss. 2013), where the APA argument failed because the taxing agency was not regularly using the alternative method against a specific industry (services companies). *Id.* Here, the Department plainly believes CUR is better for taxing

[31] The Department has always expressed this flawed belief that its actions are automatically justified when requiring the use of CUR for a taxpayer who is part of a unitary business. *See, e.g.*, R. 3759, Determination ("[B]ecause Tractor Supply is part of a unitary business*, separate entity reporting is incapable of fairly representing the extent of Tractor Supply's business activity in South Carolina*. Indeed, *only combined reporting* can 'capture the many subtle and largely unquantifiable transfers of value that take place among related companies of a single business enterprise.' *Media General*, 388 S.C. at 142, 694 S.E.2d at 527. Thus, *because Tractor Supply's trade or business in South Carolina is the unitary business of the Tractor Supply Group*, the base that reasonably represents the portion of *that trade or business* carried on in South Carolina *cannot be achieved by separate entity reporting*." (Emphasis added)).

a unitary business and that it can require CUR for any such business prior to determining whether its intercompany charges are at arm's length. That has led to the Department requiring CUR at will based on nothing other than the existence of a unitary business as it did here. The Department selectively choosing when to act on this belief is not acting with discretion, nor does it fix the problem caused by its belief that CUR can always be used against a unitary business.

Revenue Ruling 15-5 also shows the Department's policy is to apply Step One differently and incorrectly for specific types of taxpayers, which also invites arbitrary and selective enforcement of the AA Statute against such taxpayers, and it shows the Department is making law when explaining how CUR will be implemented by the Department. TSC Br. at 48-49. Thus, the use of CUR here violates the APA. *See id*. at 48-50.

CONCLUSION

Based on the foregoing as well as TSC's Brief, the ALC's decision should be reversed.

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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT

Ralph King Anderson, III, Chief Administrative Law Judge

Appellate Case No. 2024-000013
Administrative Law Court Case No. 19-ALJ-17-0416-CC

Tractor Supply Company,..... Appellant,

v.

South Carolina Department of Revenue, ... Respondent.

CERTIFICATE OF COUNSEL

The undersigned certifies that the foregoing Final Reply Brief of Appellant Tractor Supply Company complies with Rule 211(b), SCACR.

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