

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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SC Court of Appeals

APPEAL FROM THE ADMINISTRATIVE LAW COURT
In a Contested Case Hearing

The Honorable S Phillip Lenski
Administrative Law Court Judge

Docket No. 11-ALJ-17-0603-CC
Appellant Case No. 2016-000201

Alltel Communications, Inc. (and Affiliates) Respondent,

v.

South Carolina Department of Revenue, Appellant.

REPLY BRIEF OF APPELLANT

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HONORABLE S. PHILLIP LENSKI, ADMINISTRATIVE LAW JUDGE

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Alltel Communications, Inc. (and Affiliates).....Respondent,

v.

South Carolina Department of Revenue.....Appellant.

PROOF OF SERVICE

I, Jean M. O'Connor, certify that I have caused to be mailed, postage prepaid, a copy of the South Carolina Department of Revenue's Reply Brief in the above-referenced matter to John M.S. Hoefler, Esquire, Willoughby & Hoefler PA, PO Box 8416, Columbia, SC 29202-8416, this 2nd day of June 2016.

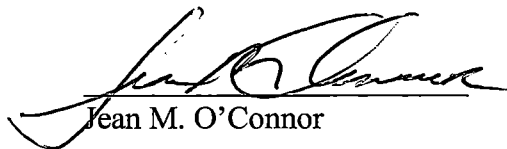

Jean M. O'Connor

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COMES NOW, the Appellant South Carolina Department of Revenue, (Department) and respectfully submits the following in Reply to the Respondent's Brief:

THE APPLICABLE STATUTORY FRAMEWORK REQUIRES THAT THE RESPONDENT'S PROCEEDS FROM ITS SALES OF THE COVERAGE PLANS ARE INCLUDABLE IN GROSS PROCEEDS OF SALES, AND NO AMBIGUITY IS CREATED THEREBY.

As outlined in its Brief, the Department submits that the charges the Respondent receives from its sales of Coverage Plans¹ to customers who purchase wireless communications services and/or telephone equipment are subject to the sales tax. The Respondent is in the business of selling tangible personal property – wireless communications service and telephone equipment – to the public at retail and therefore, must remit sales taxes on its gross proceeds of sales. See S.C. Code Ann. § 12-36-910 (A) (“a sales tax, equal to five percent of the gross proceeds of sales, is imposed upon every person engaged or continuing within this State in the business of selling tangible personal property at retail.”) (Emphasis added.) Central to this inquiry is the definition of “gross proceeds of sale”, which, in pertinent part, reads as follows:

Gross proceeds of sales, or any similar term, means the value proceeding or accruing from the sale, lease, or rental of tangible personal property.

(1) The term includes:

* * *

(b) the proceeds from the sale of tangible personal property without any deduction for:

- (I) the cost of goods sold;
- (ii) the cost of materials, labor, or service;

* * *

(vii) any other expenses;

¹The only Coverage Plan still at issue was determined by the Administrative Law Court (ALC) to be insurance. (ALC Order, p. 7-8) The Department has not appealed this finding.

(Emphasis added).

Thus, the term "gross proceeds of sales" includes "the value proceeding or accruing from the sale . . . of tangible personal property . . . without any deduction for . . . the cost of service . . . or any other expenses[.]" S.C. Code Ann. § 12-36-90(1)(b)(ii,vii). Inasmuch as the Respondent's sales of its Coverage Plans are incident to the Respondent's sales of wireless communications service and telephone equipment, the proceeds generated from the sale of Coverage Plans are part of the "value proceeding or accruing from" the sale of tangible personal property and are therefore, included within "gross proceeds" for purposes of the tax. Furthermore, the Coverage Plans also constitute a "service or other expense" that cannot be deducted from the gross proceeds of sale. In this regard, it should be noted that the definition of "sales price" for purposes of the complimentary use tax includes "any services . . . that are part of the sale . . .". S.C. Code Ann. § 12-36-130(1)(a) (2014).

The Respondent counters by alleging that the Department's reading of the applicable statutes is "strained" and creates an ambiguity that must be resolved in the Respondent's favor. (Respondent's Brief, page 11) Further, the Respondent asserts that the Department "not only misinterprets or mischaracterizes the precedents of the Supreme Court and this Court, it fails to acknowledge its most recent advisory opinion on the liability of a provider of accommodations for sales tax on insurance – which opinion contradicts the argument DOR advances in this Court." (Respondent's Br., p. 14) The Respondent's contentions are incorrect.

I. **The Respondent's Coverage Plans Fall Within The Plain Meaning Of The Term "Gross Proceeds Of Sales."**

The proceeds from the Respondent's sales of its Coverage Plans fall within the gross proceeds of sale generated by the Respondent's sales of wireless communications service and telephone equipment. The sales of Coverage Plans are incident to the Respondent's sales of tangible personal property. In providing the Coverage Plans to its customer, the Respondent is providing a service which adds value to the sales transaction involving tangible personal property. Consistent with the definition of gross proceeds, the value generated from the sale of the Respondent's tangible personal property – wireless communications service and telephone equipment – must include the proceeds flowing from the sales of Coverage Plans. As set out under § 12-36-90(b) the “service or other expenses” that are represented by the Coverage Plans are not to be excluded from gross proceeds of sale.

The Respondent's Brief makes several references to the ALC's finding that the amounts collected for its Coverage Plans are not subject to sales tax because insurance premiums do not meet the definition of gross proceeds as insurance is not tangible personal property. (Respondent's Br., pp. 17, 26.) This finding by the ALC is legally incorrect and the Respondent's reliance upon this finding demonstrates the error in the Respondent's arguments. Under the logic put forth by the ALC, unless something is tangible personal property it cannot fall within gross proceeds and is not subject to sales tax. Such holding is explicitly contradicted by this Court's decision in Meyers Arnold, Inc. v. South Carolina Tax Commission, 285 S.C. 303, 328 S.E.2d 920 (Ct. App. 1985). In Meyers Arnold, this Court addressed the application of the sales tax to amounts collected for lay away fees, finding the fees subject to sales tax. Id., 285 S.C. at 307, 328 S.E.2d at 923. Applying the ALC's logic to the facts in Meyers Arnold demonstrates how

the ALC's Order contradicts Meyers Arnold. Under the ALC's logic, the question before this Court should have been "are the lay away fees tangible personal property?" Clearly lay away fees are not tangible personal property as such cannot be seen touched or felt. Applying the ALC's logic, the analysis ends there and the lay away fees are not taxable. This is neither correct nor the logic put forth by this Court. This Court did as the Department asked the ALC to do here, it looked at the entire transaction and not simply one portion. The real issue was not simply whether the lay away fees were tangible personal property. The real issue was whether the lay away fees constituted value proceeding or accruing from the sale of tangible personal property within the definition of "gross proceeds of sale." Id. The transaction in Meyers Arnold was the sale of tangible property which was purchased through the store's lay away program. Looking at that entire transaction this Court found that the lay away fees only occurred because of the sale of the tangible personal property and therefore those fees were included in the gross proceeds of sales. Id. Similarly, the transaction at issue here is the sale of personal communication devices and coverage plans sold with those devices. Simply looking at whether something in and of itself is tangible personal property to determine the applicability of the sales tax is legally incorrect. It is abundantly clear from the language cited and relied upon by the Respondent that the ALC utilized and relied upon this incorrect legal analysis in ruling on the taxability of the Coverage Plans. Because the ALC's ruling is based upon an error of law, the Department asks that this Court reverse the Order of the ALC.

Much of the Respondent's argument is premised upon an incorrect and inaccurate view of the transaction at issue. The Respondent urges this Court to follow the ALC's

view of the transaction and look at the sale of Coverage Plans as an independent transaction. In essence the Respondent wants this Court to ignore the portion of the transaction that clearly deals with tangible personal property, that being the sale of a telephone and/or wireless communications, and only look at the sale of the Coverage Plans as though such was an independent stand-alone transaction. Unfortunately, the ALC followed this flawed logic and in doing so committed an error of law. The Coverage Plans were not sold independently, rather such were sold in conjunction with the sale of a telephone and/or wireless communications. The whole transaction, that being the sale of the telephone/wireless communications and Coverage Plans together, must be considered in determining sales tax for to do otherwise contradicts Meyers Arnold.

The Respondent attempts to evade this inseparable relationship between the telephones/wireless communications and the Coverage Plan by distracting the Court into thinking they are separate because the telephone can be purchased without a Coverage Plan. (Respondent's Br., p. 30). Such contention is accurate, but fails to grasp or answer the far more important and relevant question, that being whether the Coverage Plan can be sold without a telephone and/or wireless communications. The answer to this question is no, the Respondent does not sell Coverage Plans without a corresponding telephone/wireless communications. A customer of one of Respondent's competitors could not purchase a coverage plan from Respondent for the telephone or wireless communications of its competitor. The Coverage Plans only exist because of the telephones/wireless communications that Respondent sells. Because the Coverage Plans are only sold as part of a transaction with a telephone and/or wireless communications,

the transaction that must be evaluated is the sale of this tangible personal property and corresponding coverage plan.

The Respondent argues that the ALC correctly found that § 12-36-90(b)'s prohibition against deducting "services or other expenses" from gross proceeds only applies to "deductions by retailers from the gross proceeds of sale (i.e., revenues) any costs or expenses incurred by the retailer in making the tangible personal property available for purchase, not to deductions of revenues from gross proceeds of sale received by a retailer." (Respondent's Brief, page 25). The ALC's holding is erroneously based on the premise that gross proceeds only include services and other expenses that stem from the production of the tangible personal property. This contention fails to grasp that gross proceeds includes not just services and expenses, but all value proceeding or accruing from the sale, lease, or rental of tangible personal property. Under § 12-36-90, the "value proceeding or accruing from the sale, lease or rental of tangible personal property" specifically includes any revenue from the sale of any service sold incident to tangible personal property. In this instance, the Coverage Plans were sold incident to the wireless communications service and telephone equipment; thus, they constitute value proceeding or accruing from the sale, lease or rental of tangible personal property.

The ALC's ruling is further flawed because the Coverage Plans do constitute a cost of service. In Travelscape v. South Carolina Department of Revenue, 391 S.C. 89, 98, 705 S.E.2d 28, 33 (2011), the South Carolina Supreme Court held that an on-line travel company's gross proceeds of sale, for purposes of determining the base for sales taxes on accommodations, included the service fees the company charged its customers:

Therefore, the definition of gross proceeds of sales also applies to gross proceeds. Accordingly, "gross proceeds"

under section 12-36-920(A) includes the value obtained from the rental of accommodations *without deduction for the cost of services*. S.C. Code Ann. § 12-36-90(1)(b)(ii). Because the cost of services is specifically included in the definition of gross proceeds of sales, we find the fees retained by Travelscape for its services are taxable as gross proceeds.”

(Emphasis in original). Similarly, here the fees associated with the Respondent’s Coverage Plans cannot be deducted from gross proceeds because they constitute a cost of service.

Contrary to the Respondent’s assertions, the Department’s interpretation of the relevant sales tax statutes does not create an ambiguity, but instead is reasonable and consistent with the intent of the sales tax statutes. Imposition of the sales tax on all proceeds accruing from the sale of wireless communications service, telephone equipment and Coverage Plans is consistent with both the applicable statutory language and the intent of the General Assembly. The Respondent’s customers who opt to purchase Coverage Plans only do so as a result of, or in connection with, their purchase of the Respondent’s tangible personal property. No sales of Coverage Plans exist absent the sale of wireless communications service and telephone equipment. To that extent, a plain reading of the sales tax statutes in this case dictate that the fees from the Coverage Plans are subject to tax.

II. Meyers Arnold Controls The Result Here And Subjects The Respondent’s Proceeds From The Sale Of Its Coverage Plans To Sales Tax.

The Respondent continues to assert that the result in Meyers Arnold is inapposite here and does not support the Department’s position. In Meyers Arnold, the issue before this Court was whether lay away fees – charges collected by a retailer for an additional, optional service provided to its customers -- were included in the taxpayer’s gross

proceeds of sales for sales tax purposes. Myers Arnold, 285 S.C. at 304, 328 S.E.2d at 921.² Ultimately, the Court of Appeals affirmed the lower court's ruling, which held that the lay away fees were subject to sales tax. Id. at 308, 328 S.E.2d at 923.

Meyers Arnold articulated the “but for” test the Department has relied upon for many years. In the context of the case before it, the Court of Appeals recognized that the salient question before the Court was whether “the lay away fee charged is part of the gross proceeds of sales.” Id., at 307, 328 S.E.2d at 923 The Court thereafter recognized that:

But for the lay away sales, Meyers Arnold would not receive the lay away fees. The fees are obviously charged for the service rendered in making lay away sales. For these reasons, this court holds the lay away fees are part of the gross proceeds of sales and subject to the sales tax.

Id., at 307-308, 328 S.E.2d at 923.³ Accordingly, based upon Meyers Arnold, the Department asserts that the Respondent would make no sales of its Coverage Plans “but

²The Respondent takes issue with the Department’s characterization of the lay away fee as “optional” complaining that “[n]owhere in this Court’s opinion in Meyers Arnold is the word “optional” employed.” (Respondent’s Br., p. 33, fn. 30). Nevertheless, the Respondent thereafter finds its way to actually acknowledge the optional nature of the lay away fee: “[q]uite clearly, if the customers of the retailer in Meyers Arnold had wanted to purchase merchandise on lay away, the fee was not optional and if the customer had wanted to purchase merchandise “outright” no fee was charged. Id. (Emphasis added). This is the same choice given to the Respondent’s customers. Telephone equipment and communications can be purchased without Coverage Plan protection or can be purchased with plan protection. Where the customer decides to purchase Coverage Plan protection, the fees generated by those sales are subject to sales tax.

³As set out in its Brief, the Department has issued decisions and advisory opinions based on the Meyers Arnold “but for” test which have subjected a retailer’s charges for engraving services (S.C. Tax Commission Decision #90-38), delivery services (S.C. Tax Commission Decision S-D-179) and a rental car company’s optional collision damage waivers, personal accident and extended protection coverages (S.C. Rev. RR. #93-1) to sales tax. (App. Brief, pp.16, fn. 10; 21). The General Assembly, most certainly aware of

for” its sale of wireless communications service and telephone equipment to its customers, making the proceeds derived from the sale of Coverages Plan subject to sales tax.

The Respondent next challenges the principle that “sales tax is ‘determined by the amount received by the seller and that amount includes any services provided with the tangible personal property’” by pointing to S.C. Code Regs. 117-313.3 and offering that the Department’s assertion that installation labor would be taxable under Meyers Arnold except for the regulation is “astonishing.” (Respondent’s Br., p. 38). The Respondent fails to acknowledge, however, that Regulation 117-313.3 had its beginnings in the early 1950’s well before the Meyers Arnold doctrine was enunciated by this Court in 1985.⁴

the Department’s application of the law based on Meyers Arnold, has seen fit to limit that application in only narrow circumstances. See, S.C. Code Ann. § 12-36-920; Argument V., below.

⁴In Commission Decision S-D-90 (May 31 1974), the S.C. Tax Commission recognized the genesis of Regulation 117-313.3:

In any event, the commission has published rules on this subject and Rule S-R-219 (now Sale Tax Regulation 117-174.204), that was adopted in 1952 provides:

Where the quoted price is a lump sum for both property and installation or where billing and other records do not show separate charged for property and for installation, the measure of the tax is the total amount received by the seller. More particularly, where the sale of tangible personal property involves a charge for the installation of the property sold, in instances where the property remains personal after installation, the sale tax shall be measured by the entire receipt of the sale, including the installation, unless the installation charge is set out separate and apart to the purchaser from the charge made for the personal property installed.”.

Although the regulation has been re-codified since 1952, its basic thrust to exempt installation labor from sales tax has not been changed or otherwise altered. It is important to note however, that the application of this regulation is limited by its language to installation labor and does not apply to the services at issue here.

III. The Respondent Is A Retailer Of The Coverage Plans.

The Respondent, however, attempts to sidestep application of the sales tax by asserting that it is not the retailer of the Coverage Plans for purposes of application of the sales tax statutes. (“[F]irst, the undisputed facts demonstrate that Alltel Entity did not sell insurance, but simply collected premiums for optional insurance coverage sold by licensed insurance agents for licensed insurance companies.”) (Respondent’s Br., p.30). The Department respectfully submits that what is undisputed here is that the only money ever paid by the customer for the Coverage Plans is paid to, and collected by, the Respondent as part of a single monthly service bill (Capehart Affidavit, Ex. B). The Respondent’s customers pay the Respondent and no other entity for the Coverage Plan.⁵ While the Respondent may utilize a third party insurance carrier to carry out the protection that it sells its customers, that secondary transaction does not determine whether the Respondent is the retailer of the Coverage Plans. As such, any conclusion reached by the ALC that “the Alltel Entities did not receive the premiums for that

As noted by the Commission, Rule S-R-219 became Regulation 117-174.204, which in turn was re-codified as the current Regulation 117-313.3.

⁵The sale of its coverage plans is certainly a component of the Respondent’s business. See, S.C. Code Ann. § 12-36-20 which states, in pertinent part, that the “business” includes all activities, with the object of gain, profit, benefit, or advantage, either direct or indirect.”

insurance coverage,” is patently incorrect to the extent it suggests that this money is not paid to the Respondent. (Respondent’s Br., p. 37) This is consistent with the sales tax base found applicable in Travelscape – there the taxpayer was found liable for taxes on a base that included fees for the services it rendered and the accommodations it sold, despite the fact that it did not retain the money for accommodations but instead paid money for the accommodations over to a third party hotel. Travelscape, 391 S.C. 89, 98, 705 S.E.2d 28, 33.⁶

The Respondent further chastises the Department for using the term “subcontract” to describe the relationship between the Respondent and its insurance company, but no matter the description employed, the Department’s argument is not conditioned upon what entity actually performs any insurance services. The salient point for sales tax purposes is that the Respondent is making the sale for such coverage. Inasmuch as it is making the sale, the proceeds from such sales are part of the Respondent’s gross proceeds from the sale of wireless communications service and telephone equipment; the sale of

⁶The Respondent’s assertions that the Travelscape Court “did not hold that all funds received by Expedia were subject to sales tax...” and “[n]or did the Supreme Court hold that it would not allow Expedia to exclude from sales tax the amounts it paid to the hotels...” are puzzling (Respondent’s Brief, page 40). Prior to reaching the question about service fees the Travelscape Court recognized that Expedia was already collecting sales taxes on accommodations and paying the same to the hotels Travelscape, 391 S.C. at 95-96, 705 S.E.2d at 31. Further, in part based on the definition of business under §12-36-20, the Court recognized that Expedia was in the business of “furnishing accommodations” within the meaning of S.C. Code Ann. § 12-36-920(E) and further, that it was a “seller of hotel rooms” within the meaning of S.C. Code Ann. § 12-36-70(1)(c). Id., 391 S.C. at 101 – 102, 107, fn 8, 705 S.E.2d at 34-35, 37, fn 8 Finally, in the concluding paragraph of its opinion, the Court declared that “[w]e find section 12-36-920 imposes a sales tax on the gross proceeds received by Travelscape in exchange for furnishing hotel accommodations in South Carolina.” Id., 391 S.C. at 110, 705 S.E.2d at 39. (Emphasis added). Here, the Respondent is the retailer for the entire transaction – the sale of telephones/wireless communications and Coverage Plans – thus it is responsible for sales tax on the gross proceeds derived from that sale.

the Coverage Plans are incident to and dependent upon, the sale of tangible personal property.

IV. **The Contention That Service Is Only Subject To Sales Tax If The Tangible Personal Property Cannot Be Obtained From The Retailer Without Also Obtaining The Service Constitutes A Misreading Of The Applicable Cases.**

The Department asserts that Myers Arnold and Travelscape compel that the ALC decision in this case be reversed. Nevertheless, the Respondent seeks to justify the ALC's attempt to distinguish those cases from the matter under consideration here:

The ALC distinguished the facts of the instant case and those in *Travelscape* and *Meyers Arnold* and cited these cases for the proposition that where a fee is retained for the provision of a service that is inextricably intertwined with the sale of tangible personal property or accommodations, such that the personal property or accommodations are not obtainable from the retailer without obtaining the service, the fees retained for the service are gross proceeds because the cost of the service could not be deducted.

(Emphasis added) (Respondent's Br., p. 39, fn. 36)

The Department would respectfully point out that there is nothing in either Travelscape or Meyers Arnold making the inclusion of fees received from the sale of services incident to the sale of tangible personal property dependent upon whether tangible personal property can be obtained from the retailer "without obtaining the service." What instead is important to the sales tax inquiry is whether the service is sold along with the tangible personal property. Where the Respondent's customer elects to purchase a Coverage Plan sold by the Respondent protecting tangible personal property sold by the Respondent, that service is then included within the sales tax base as part of "the value proceeding or accruing from the sale, lease, or rental of tangible personal property." As stated in the Department's Brief, "... while a Coverage Plan may be

optional, once purchased it is merged into and becomes inextricable from the transaction and has no value apart from the underlying transaction.” (Department’s Br., p. 17) The fees for such an intertwined service that would not have become available to the retailer but for the purchase of wireless communications service and telephone equipment, are part of the gross proceeds of sale because the cost of the service cannot be deducted.

V. The Respondent’s Challenges To The Department’s Long Standing Policy Are Misplaced.

Despite the Respondent’s contentions, the Department has applied the Meyers Arnold “but for” test consistently for well over twenty-five years. For the reasons specified earlier, the Department respectfully submits that Regulation 117-313.3 does not change that circumstance. In fact, the Department must follow Regulation 117-313.3 where applicable as regulations carry the force and effect of law. The Respondent also points to Revenue Ruling #14-7⁷ and alleges that the Department has “actually reversed its position on the application of sales tax to charges collected by a retailer for “insurance or insurance like items,” and concluded “that where a retailer of accommodations collects a charge for optional hurricane insurance, that charge is not subject to sales tax under 12-36-920.” (Respondent’s B., p. 43) The Respondent then parrots the language of Revenue Ruling #14-7 which provides that the ruling “supersedes Revenue Ruling #05-06 and all previous advisory opinions and oral directives in conflict herewith.” Id.

Revenue Ruling #14-7 does change the previous Department advisory opinion on optional hurricane insurance, Revenue Ruling #05-6, which held that optional hurricane insurance purchased as an additional service by customers protecting against cancellations due to hurricanes was to be included in the sales tax base as part of the

⁷The Respondent has mistakenly referred to this Revenue Ruling as Revenue Ruling #14-6.

gross proceeds of sales accruing from the sales of accommodation under § 12-36-920. However, this change was made necessary because of a 2014 amendment to § 12-36-920 which became effective July 1, 2014. That amendment specifically provided : “[t]he tax imposed by this subsection (A) does not apply to additional guest charges as defined in subsection (B) or separately stated optional charges on a bill to a customer for amenities, entertainment, special items in promotional tourist packages, and other guest services.” (Emphasis added).

Absent the amendment to § 12-36-920, the Department’s application of the sales tax to sales of optional hurricane insurance would have remained the same as specified under Revenue Ruling #05-6. The Respondent’s contention based on Revenue Ruling #14-7 that somehow the Department’s application of sales tax to the Respondent’s proceeds from sales of Coverage Plans is a “matter of whim and caprice” should be rejected. In fact, that the General Assembly specifically chose to exclude the optional charges contemplated under § 12-36-920 supports the Department’s position here – that in the absence of legislative action to exclude these charges from sales tax, the Department’s application of the sales tax law to include incidental services in the sales tax base is reasonable and consistent with the legislative intent to subject the “value proceeding or accruing from the sale, lease, or rental of tangible personal property . . . without deduction for service or other cost.”

VI. The Respondent’s Alternative Ruling Argument On Ambiguity Is Without Merit.

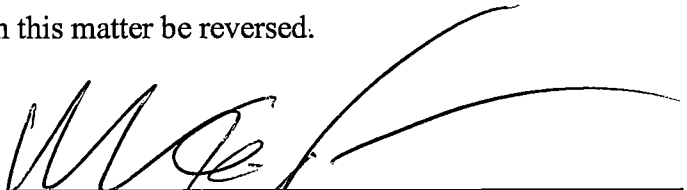
The Respondent next posits that the ALC offered alternative rulings that the Department’s imposition of sales tax to the Respondent’s sales of Coverage Plans created ambiguities and the Department has failed to appeal said rulings. To the extent that the

ALC rendered such rulings, it is abundantly clear from the statutory arguments made by the Department that the Respondent's Coverage Plans fall squarely within the pertinent statutory language. The Department's contention that these Coverage Plans fall within the statutory language and are subject to sales tax necessarily rebuts and calls into question any ALC "ruling" that the Department's application of the law creates ambiguities. See Herron v. Century BMW, 395 S.C. 461, 719 S.E.2d 640 (2011). Furthermore, while the Department believes that its application of the law is the only correct reading of the same, its reliance on this Court's interpretation of the applicable sales tax statutes in Meyers Arnold effectively squelches any legitimate contention that the Respondent's argument has raised the possibility of "two equally logical interpretations" within the meaning of Kennedy v. South Carolina Retirement System, 345 S.C. 339, 549 S.E.2d 243 (2001).⁸

To the extent Respondent has raised any other contentions, the Department replies on the arguments made in its Brief.

CONCLUSION

As explained more fully above, and in its Brief, the Department respectfully requests that the ruling of the ALC in this matter be reversed.



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⁸The Respondent seeks to discount the Department's statement that "its interpretation of §12-36-90 does not create any ambiguity as proscribed under Alltel v. South Carolina Department of Revenue, 399 S.C. 313, 731 S.E.2d 869 (2012)" Given the statutory analysis that the Respondent's Coverage Plans are subject to sales taxes, nothing more is required to adequately rebut the Respondent's ambiguity arguments.

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