



State of South Carolina Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

April 12, 2011

The Honorable Ken Ard
President of the Senate
State House, First Floor, East Wing
Columbia, South Carolina 29201

Dear Mr. President and Members of the Senate:

I am vetoing and returning without my signature S.533, R-17, a bill which extends an exemption from sales tax on equipment and supplies purchased by a single company that broke ground in South Carolina over a year and a half ago and is in response to the Department of Revenue's interpretation of Act 280 of 2010 – a bill designed to provide the same sales tax incentive detailed in this legislation.

I am vetoing S.533, because I believe that this bill is unnecessary. In 2010, the General Assembly enacted Act 280 to grant a sales tax exemption to the Institute for Business and Home Safety ("IBHS") upon that company's decision to locate in Chester County. The Department of Revenue's original interpretation of existing law was such that IBHS - the only company potentially eligible for this incentive - was not eligible because the effective date of the Act conflicted with the start-date of this otherwise qualified investment. The Department of Revenue has since reviewed its interpretation of the Act and believes the clear intent of the General Assembly was to grant a sales tax exemption for IBHS, because it is the only company in the state eligible to receive the benefit. Because the Department will apply Act 280, S.533 is unnecessary.

For the reasons stated above, I am vetoing S.533, R-17.

Sincerely,


Nikki R. Haley