Agency Name:	Department Of Revenue		
Agency Code:	R440	Section:	109

Fiscal Year FY 2027-2028

Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

	For FY 2027-2028, my agency is (mark "X"):	
OPERATING REQUESTS *(FORM B1)*		Requesting General Fund Appropriations.
	X	Requesting Federal/Other Authorization.
		Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
NON-RECURRING REQUESTS *(FORM B2)*		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
CAPITAL REQUESTS *(FORM C)*		Requesting funding for Capital Projects.
	X	Not requesting any changes.

	For FY 2027-2028, my agency is (mark "X"):	
PROVISOS *(FORM D)*		Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
	X	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	*Phone*	*Email*
PRIMARY CONTACT:	Hartley Powell	(803) 898-5040	Hartley.Powell@dor.sc.gov
SECONDARY CONTACT:	Meredith Cleland	(803) 898-5402	Meredith.Cleland@dor.sc.gov

I have reviewed and approved the enclosed FY 2027-2028 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	*Board or Commission Chair*
SIGN/DATE:	W. Hartley Powell 9/21/26	
TYPE/PRINT NAME:	W. HARTLEY POWELL	

This form must be signed by the agency head – not a delegate.

Agency Name:	Department Of Revenue
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Section:	109

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Other Funds Authority Request	0	0	10,000,000	0	10,000,000	0.00	0.00	0.00	0.00	0.00
2	B1 - Recurring	FTE Conversion General Funded to Other Funded	0	0	0	0	0	-51.00	0.00	51.00	0.00	0.00
TOTALS			0	0	10,000,000	0	10,000,000	-51.00	0.00	51.00	0.00	0.00

Agency Name:	Department Of Revenue		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

1

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

Other Funds Authority Request

Provide a brief, descriptive title for this request.

AMOUNT

General: $0

Federal: $0

Other: $10,000,000

Total: $10,000,000

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
X	IT Technology/Security related
	HR/Personnel Related
	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	Education, Training, and Human Development
	Healthy and Safe Families
X	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
	Government and Citizens

ACCOUNTABILITY OF FUNDS

This funding request supports SCDOR strategies 2.2 Maintain strong governance of security processes to detect and prevent all privacy, cyber and physical security events and 2.3 Utilize advanced technology to detect and prevent physical intrusions, data breaches, website defacements and malicious system outages.

The additional spending authority is needed to modernize our physical security to better protect our employees, state property, and the sensitive data in our eight offices throughout the state. The major enhancements include upgrades to our building cameras, facility access, and weapon detection systems. We plan to install improved camera systems that increase our coverage area and provide clearer and more detailed images. Enhanced building access will include updated badge readers with facial recognition capabilities. Metal detectors at all office entrances will be replaced by the latest threat and weapons detection technology. Our intrusion and mass notification platform will be upgraded to provide coordinated, real-time alerts of lockdown or evacuation orders. Protecting our employees and sensitive tax data remain a top priority for the SCDOR, and these enhancements ensure we meet that duty.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS	The SCDOR will expend these funds to modernize physical security in all offices. The SCDOR will utilize the state's competitive procurement processes for this spending.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	The additional spending authority is needed to modernize our physical security to better protect our employees, state property, and the sensitive data in our eight offices throughout the state. The major enhancements include upgrades to our building cameras, facility access, and weapon detection systems. We plan to install improved camera systems that increase our coverage area and provide clearer and more detailed images. Enhanced building access will include updated badge readers with facial recognition capabilities. Metal detectors at all office entrances will be replaced by the latest threat and weapons detection technology. Our intrusion and mass notification platform will be upgraded to provide coordinated, real-time alerts of lockdown or evacuation orders. Protecting our employees and sensitive tax data remain a top priority for the SCDOR, and these enhancements ensure we meet that duty. The SCDOR has been diligent in managing its finances over the last several years, which allowed the agency to accumulate the necessary funds without having to ask for additional general fund dollars. The SCDOR's current other funds authority is not enough to support the transition to a more stringent physical and data security system. Without an increase to the current authority limit, the SCDOR will be unable to secure the physical and data security platform needed to protect our employees and confidential taxpayer information.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

Agency Name:	Department Of Revenue		
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY

2

Provide the Agency Priority Ranking from the Executive Summary.

TITLE

FTE Conversion General Funded to Other Funded

Provide a brief, descriptive title for this request.

AMOUNT

General: $0

Federal: $0

Other: $0

Total: $0

What is the net change in requested appropriations for FY 2027-2028? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS

0.00

Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
	Change in cost of providing current services to existing program audience
	Change in case load/enrollment under existing program guidelines
	Non-mandated change in eligibility/enrollment for existing program
	Non-mandated program change in service levels or areas
	Proposed establishment of a new program or initiative
	Loss of federal or other external financial support for existing program
	Exhaustion of fund balances previously used to support program
	IT Technology/Security related
X	HR/Personnel Related
	AI Related
	Related to a Non-Recurring request – If so, Priority #

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES

Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	Education, Training, and Human Development
	Healthy and Safe Families
	Maintaining Safety, Integrity, and Security
	Public Infrastructure and Economic Development
X	Government and Citizens

ACCOUNTABILITY OF FUNDS

No additional funds are being requested related to this request. The shift in FTEs from General Fund to Other Funds is to better align SCDOR's budget and approved FTE distribution.

What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF

No additional funds are being requested related to this request. The shift in FTEs from General Fund to Other Funds is to better align SCDOR's budget and approved FTE distribution.

FUNDS	

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST	For FY27, the South Carolina Department of Revenue (SCDOR) received approval from the Executive Budget Office (EBO) to change the FTE authorization of 51 positions to ensure consistent accounting between funding sources and collection efforts. To avoid coming back to the EBO each year, we are seeking to make this request permanent in FY28.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
AMOUNT	$1,855,419 *What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*
ASSOCIATED FTE REDUCTIONS	There would be no FTE reductions, but up to 10 IT security contractors would be eliminated. *How many FTEs would be reduced in association with this General Fund reduction?*
PROGRAM / ACTIVITY IMPACT	I.A Administrative and Program Support CISO area. *What programs or activities are supported by the General Funds identified?*
SUMMARY	Contractual Services are a significant portion of SCDOR operation expenses and include several IT services. If SCDOR were to absorb a 3% General Fund reduction, up to 10 IT security contractors would be lost. These contractors assist in maintaining SCDOR's high security standards and cyber prevention programs.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

SCDOR would have to eliminate vital IT security projects.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Department Of Revenue		
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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	Go Green

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	The SCDOR is continuing its "go green" initiative to promote a more efficient and secure environment to increase voluntary taxpayer compliance. Electronic filing of tax forms and payments eases administrative burden on taxpayers in complying with complex tax laws, allowing SCDOR to process returns and refunds more efficiently. This initiative saves taxpayers time and money, while maintaining the strongest security.

What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	**Mark "X" for all that apply:**
	Repeal or revision of regulations.
	Reduction of agency fees or fines to businesses or citizens.
X	Greater efficiency in agency services or reduction in compliance burden.
	Other

METHOD OF CALCULATION	Taxpayers save time and money by filing and paying electronically. SCDOR is increasing the number of tax forms and associated payments that can be filed electronically.

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	N/A

Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	N/A

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY	SCDOR's "go green" initiative eases administrative burden on taxpayers in complying with complex tax laws, allowing SCDOR to process returns and refunds more efficiently. This initiative saves taxpayers time and money, while maintaining the strongest security. SCDOR is increasing the number of tax forms and associated payments that can be filed electronically. Electronic returns and payments provide taxpayers a secure and efficient way to provide tax information to the Department.

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?