

REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Huggins, Simrill, G.M. Smith, Hosey & Limehouse - Staff Contact: Katie Owen)

HOUSE BILL 4765

H. 4765 -- Reps. G.R. Smith, Parks, D.C. Moss, Cobb-Hunter, Jefferson, Duckworth, Daning, Kirby, R.L. Brown, Burns, Douglas, Brannon, Anthony, Mitchell, Ridgeway, Robinson-Simpson, Clyburn, Ryhal, Johnson, Yow, G.A. Brown, Riley, Taylor, Limehouse, Williams, Simrill, Bedingfield, Chumley, Dillard, Herbkersman, Hicks, Hill, Loftis, Long, V.S. Moss, Pope, Rivers, Thayer and Wells: A BILL TO AMEND SECTION 12-6-5060, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO VOLUNTARY CONTRIBUTIONS MADE BY AN INDIVIDUAL BY MEANS OF THE INCOME TAX RETURN CHECK OFF, SO AS TO ADD HABITAT FOR HUMANITY.

Summary of Bill:

This bill provides for a check off for a voluntary contribution through the individual income tax form. The donation may be paid through reduction of an income tax return or submitted as an additional payment.

Estimated Fiscal Impact:

This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. This bill will reduce General Fund individual income tax revenue by \$1,335 in FY 2017-18.

Subcommittee Recommendation:

Favorable with Amendment

Other Notes/Comments:

Subcommittee amendment clarifies that the check off is for the SC Habitat for Humanity Affiliates.

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

ALLEN/PAIR
MARCH 16, 2016

CLERK OF THE HOUSE

THE SALES AND INCOME TAX SUBCOMMITTEE
PROPOSES THE FOLLOWING AMENDMENT NO. TO H. 4765

REFERENCE IS TO THE BILL AS INTRODUCED.

AMEND THE BILL, AS AND IF AMENDED, SECTION 1, BY STRIKING SECTION 12-6-5060(A) IN ITS ENTIRETY AND INSERTING:

/ “(A) EACH TAXPAYER REQUIRED TO FILE A STATE INDIVIDUAL INCOME TAX RETURN MAY CONTRIBUTE TO THE WAR BETWEEN THE STATES HERITAGE TRUST FUND ESTABLISHED PURSUANT TO SECTION 51-18-115, THE NONGAME WILDLIFE AND NATURAL AREAS PROGRAM FUND ESTABLISHED PURSUANT TO SECTION 50-1-280,

THE CHILDREN'S TRUST FUND OF SOUTH CAROLINA ESTABLISHED PURSUANT TO SECTION 63-11-910, THE ELDERCARE TRUST FUND OF SOUTH CAROLINA ESTABLISHED PURSUANT TO SECTION 43-21-160, OR THE FIRST STEPS TO SCHOOL READINESS FUND ESTABLISHED PURSUANT TO SECTION 63-11-1750, THE SOUTH CAROLINA MILITARY FAMILY RELIEF FUND ESTABLISHED PURSUANT TO ARTICLE 3, CHAPTER 11, TITLE 25, THE DONATE LIFE SOUTH CAROLINA ESTABLISHED PURSUANT TO SECTION 44-43-1310, THE VETERANS' TRUST FUND OF SOUTH CAROLINA ESTABLISHED PURSUANT TO CHAPTER 21, OF TITLE 25, THE SOUTH CAROLINA LITTER CONTROL ENFORCEMENT PROGRAM (SCLCEP) AND USED BY THE GOVERNOR'S TASK FORCE ON LITTER ONLY FOR THE SCLCEP PROGRAM, THE SOUTH CAROLINA LAW ENFORCEMENT ASSISTANCE PROGRAM (SCLEAP) AND USED AS PROVIDED IN SECTION 23-3-65, THE SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION AND TOURISM FOR USE IN

THE SOUTH CAROLINA STATE PARK SERVICE IN THE MANNER THE GENERAL ASSEMBLY PROVIDES, THE SOUTH CAROLINA FORESTRY COMMISSION FOR USE IN THE STATE FOREST SYSTEM, THE SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES FOR USE IN ITS PROGRAMS AND OPERATIONS, K-12 PUBLIC EDUCATION FOR USE IN THE MANNER THE GENERAL ASSEMBLY PROVIDES BY LAW, SOUTH CAROLINA CONSERVATION BANK TRUST FUND ESTABLISHED PURSUANT TO SECTION 48-59-60, OR THE FINANCIAL LITERACY TRUST FUND AS ESTABLISHED PURSUANT TO SECTION 59-29-510, OR THE SOUTH CAROLINA ASSOCIATION OF HABITAT FOR HUMANITY AFFILIATES, BY DESIGNATING THE CONTRIBUTION ON THE RETURN. THE CONTRIBUTION MAY BE MADE BY REDUCING THE INCOME TAX REFUND OR BY REMITTING ADDITIONAL PAYMENT BY THE AMOUNT DESIGNATED.”

RENUMBER SECTIONS TO CONFORM.

AMEND TITLE TO CONFORM.



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4765
Author: G.R. Smith
Subject: Habitat for Humanity
Requestor: House Ways and Means
RFA Analyst(s): Shuford
Impact Date: March 2, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	(\$1,335)
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. This bill will reduce General Fund individual income tax revenue by \$1,335 in FY 2017-18.

Explanation of Fiscal Impact

State Expenditure

The Department of Revenue indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

This bill amends Section 12-6-5060(A) to add Habitat for Humanity to the list of organizations that South Carolina taxpayers may designate for a voluntary contributions on their individual income tax return. These donations will either reduce a taxpayer's income tax refund or increase the amount of tax paid. Since 2006, nine charities have been added to the list of organizations to which taxpayers may donate through their tax returns. Contributions to these nine organizations averaged \$23,500 in tax year 2013, the latest data available from the Department of Revenue. If this bill is enacted, donations to Habitat for Humanity would begin on the 2016 tax return filed by April 17, 2017. Taxpayers could then claim a charitable deduction on their 2017 income tax return, thereby reducing their income tax liabilities in that year. We estimate that charitable donations will increase by \$23,500 in 2017 from the expected contributions to Habitat for Humanity. These contributions multiplied by an average tax rate of 5.68% will result in a reduction in General Fund individual income tax revenue of \$1,335 in FY 2017-18. If a taxpayer

claims a standard deduction rather than itemizing their deductions, the revenue reduction to the General Fund will be less than the \$1,335 estimate above.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director

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A BILL

TO AMEND SECTION 12-6-5060, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO VOLUNTARY CONTRIBUTIONS MADE BY AN INDIVIDUAL BY MEANS OF THE INCOME TAX RETURN CHECK OFF, SO AS TO ADD HABITAT FOR HUMANITY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12-6-5060(A) of the 1976 Code is amended to read:

“(A) Each taxpayer required to file a state individual income tax return may contribute to the War Between the States Heritage Trust Fund established pursuant to Section 51-18-115, the Nongame Wildlife and Natural Areas Program Fund established pursuant to Section 50-1-280, the Children’s Trust Fund of South Carolina established pursuant to Section 63-11-910, the Eldercare Trust Fund of South Carolina established pursuant to Section 43-21-160, or the First Steps to School Readiness Fund established pursuant to Section 63-11-1750, the South Carolina Military Family Relief Fund established pursuant to Article 3, Chapter 11, Title 25, the Donate Life South Carolina established pursuant to Section 44-43-1310, the Veterans’ Trust Fund of South Carolina established pursuant to Chapter 21, of Title 25, the South Carolina Litter Control Enforcement Program (SCLCEP) and used by the Governor’s Task Force on Litter only for the SCLCEP Program, the South Carolina Law Enforcement Assistance Program (SCLEAP) and used as provided in Section 23-3-65, the South Carolina Department of Parks, Recreation and Tourism for use in the South Carolina State Park Service in the manner the General Assembly provides, the South Carolina Forestry Commission for use in the state forest

1 system, the South Carolina Department of Natural Resources for use
2 in its programs and operations, K-12 public education for use in the
3 manner the General Assembly provides by law, South Carolina
4 Conservation Bank Trust Fund established pursuant to Section
5 48-59-60, ~~or~~ the Financial Literacy Trust Fund ~~as~~ established
6 pursuant to Section 59-29-510, or the Habitat for Humanity, by
7 designating the contribution on the return. The contribution may be
8 made by reducing the income tax refund or by remitting additional
9 payment by the amount designated.”

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11 SECTION 2. This act takes effect upon approval by the Governor.

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