**South Carolina General Assembly**

118th Session, 2009-2010

**H. 4803**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Gunn

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Introduced in the House on April 13, 2010

Currently residing in the House Committee on **Ways and Means**

Summary: Incidence impact analysis

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

4/13/2010 House Introduced and read first time [HJ](file:///h:\HJ%20Archive\2010\04-13-10.docx)‑19

4/13/2010 House Referred to Committee on **Ways and Means** [HJ](file:///h:\HJ%20Archive\2010\04-13-10.docx)‑20

**VERSIONS OF THIS BILL**

[4/13/2010](file:///p:\pprever\2009-10\4803_20100413.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 2‑7‑85 SO AS TO PROVIDE THAT AT THE REQUEST OF THE CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE OR THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE, THE DIVISION OF RESEARCH AND STATISTICS OF THE STATE BUDGET AND CONTROL BOARD IN CONSULTATION WITH THE SOUTH CAROLINA DEPARTMENT OF REVENUE SHALL PREPARE AND SUBMIT TO THE REQUESTOR AN INCIDENCE IMPACT ANALYSIS OF A BILL OR PROPOSAL TO CHANGE THE TAX SYSTEM WHICH INCREASES, DECREASES, OR REDISTRIBUTES TAXES BY MORE THAN TWENTY MILLION DOLLARS; AND BY ADDING SECTION 11‑9‑895 SO AS TO REQUIRE THE BOARD OF ECONOMIC ADVISORS IN CONSULTATION WITH THE SOUTH CAROLINA DEPARTMENT OF REVENUE TO PREPARE AND SUBMIT TO THE GENERAL ASSEMBLY BY MARCH FIRST OF EACH ODD‑NUMBERED YEAR A REPORT DETAILING THE INCIDENCE OF INCOME, SALES, LICENSE, AND PROPERTY TAXES DETAILING A SYSTEMWIDE INCIDENCE MEASURE.

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

SECTION 1. Article 1, Chapter 7, Title 2 of the 1976 Code is amended by adding:

“Section 2‑7‑85. (A) At the request of the Chairman of the House Ways and Means Committee or the Chairman of the Senate Finance Committee, the Division of Research and Statistics of the State Budget and Control Board, in consultation with the South Carolina Department of Revenue, shall prepare an incidence impact analysis of a bill or a proposal to change the tax system which increases, decreases, or redistributes taxes by more than twenty million dollars. To the extent data is available on the changes in the distribution of the tax burden that are affected by the bill or proposal, the analysis must report on the incidence effects that would result if the bill or proposal were enacted. The report may present information using systemwide measures by income classes, taxpayer characteristics, or other relevant categories. The report may include analyses of the effect of the bill or proposal on representative taxpayers. The analysis must include a statement of the incidence assumptions that were used in computing the burdens.

(B) The incidence analysis must use the broadest measure of economic income for which reliable data is available.”

SECTION 2. Article 9, Chapter 9, Title 11 of the 1976 Code is amended by adding:

“Section 11‑9‑895. (A) The Board of Economic Advisors, in consultation with the Department of Revenue, shall report to the General Assembly by March first of each odd‑numbered year on the overall incidence of the income tax, sales and excise taxes, license and property taxes. The report must present information on the distribution of the tax burden as follows:

(1) for the overall income distribution, using a systemwide incidence of appropriate measures of equality and inequality;

(2) by income classes, including at a minimum deciles of the income distribution; and

(3) by other appropriate taxpayer characteristics.

(B) The incidence analysis must use the broadest measure of economic income for which reliable data is available.”

SECTION 3. This act takes effect upon approval by the Governor.

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