**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑5061 SO AS TO CREATE THE CHARITABLE AGENCY CONTRIBUTION FUND WHEREBY A TAXPAYER MAY MAKE AN IRREVOCABLE CONTRIBUTION TO THE FUND AND SPECIFY THE AGENCY FOR WHICH THE CONTRIBUTION IS DESIGNATED.

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

SECTION 1. Article 37, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑5061. (A) There is created in the state treasury the ‘Charitable Agency Contribution Fund’. The fund is separate and distinct from the general fund of the State and all other funds. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year.

(B)(1) In addition to contributions allowed pursuant to Section 12‑6‑5060, a taxpayer may make an irrevocable cash contribution to the fund by:

(a) designating the contribution on the taxpayer’s income tax return, thereby reducing the income tax refund or by remitting additional payment;

(b) at any time, remitting payment designated for the fund to the state treasurer; or

(c) testamentary devise.

(2) All South Carolina income tax return forms must contain a designation for contributions to the Charitable Agency Contribution Fund. The instructions accompanying the income tax form must contain a description of the purposes for which the fund was established and the use of monies from the income tax contribution. Also, the return shall provide a space by which the taxpayer designates the state agency for which the contribution is intended.

(3) The department shall transfer taxpayer contributions, along with the designation for the state agency for which the contribution is intended, to the fund as it processes the return by which the contribution was made.

(C)(1) In making the contribution, the taxpayer shall designate the state agency for which the contribution is intended.

(2) On July first of each year, the treasurer shall allocate the entirety of the Charitable Agency Contribution Fund amongst each state agency for which a contribution was made. Once the fund has been allocated, and no later than July fifteenth of each year, there is appropriated to each state agency the entirety of funds in the Charitable Agency Contribution Fund designated for the agency. If the taxpayer intended for the contribution to be expended on a specific project within the agency, the agency director shall consider the request. Appropriations from the fund may not be made for recurring purposes.

(D) To the extent the contribution is not deductible on the taxpayer’s federal income tax return for the current year, or to the extent that the taxpayer does not take a federal deduction for the contribution in the current year, the contribution is deductible for purposes of the South Carolina income tax. A testamentary devise is also deductible for purposes of the South Carolina estate tax.

(E) For purposes of this section, the South Carolina Department of Revenue is not subject to provisions of the South Carolina Solicitation of Charitable Funds Act as contained in Chapter 56, Title 33.”

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

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