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COMMITTEE REPORT

May 30, 2013

**H. 3089**

Introduced by Reps. Pope, Tallon, Hixon, Wells, McCoy and Daning

S. Printed 5/30/13--H.

Read the first time January 8, 2013.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 3089) to amend Section 12‑6‑1140, as amended, Code of Laws of South Carolina, 1976, relating to deductions allowed from South Carolina taxable income of an individual, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill, as amended, is expected to reduce general fund individual income tax revenue by an estimated $34,800 in FY2013-14.

**Explanation of Amendment (May 21, 2013)**

Currently, all volunteer state constables are required to complete a minimum of twenty hours of training per year as prescribed by the Chief of the State Law Enforcement Division (SLED) to remain licensed. According to updated information from SLED, there are currently 990 volunteer state constables. Of these individuals, an estimated 200 constables have completed a minimum logged service time of 240 hours of training per year to become eligible for the income tax deduction. The logged hours of training must be certified to SLED with a copy to be filed with the volunteer state constable’s state income tax return. Multiplying 200 volunteer state constables by a $3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce general fund individual income tax revenue by an estimated $34,800 in FY2013-14. This individual income tax deduction would apply to tax years beginning with 2013.

## Explanation of Bill filed January 8, 2013

This bill would amend Section 12-6-1140(10) by allowing an individual serving as a “volunteer state constable” a $3,000 individual income tax deduction. Volunteer state constables are appointed by the Governor and serve without compensation to assist in the detection of crime and the enforcement of any criminal laws of this State. All constables appointed are required to furnish evidence that they are knowledgeable of the duties and responsibilities of a law enforcement officer, and are required to take training as may be prescribed by the Chief of the State Law Enforcement Division (SLED). This bill would waive the requirement of satisfying a minimum number of points pursuant to Section 23-9-190 to qualify for the tax deduction. According to SLED, there are currently 1,024 volunteer state constables. Multiplying 1,024 volunteer state constables by a $3,000 income tax deduction and applying an average tax rate of 5.8 percent would reduce general fund individual income tax revenue by an estimated $178,176 in FY2013-14. This individual income tax deduction would apply to tax years beginning with 2013.

*Approved By:*

Frank A. Rainwater

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND SECTION 12‑6‑1140, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEDUCTIONS ALLOWED FROM SOUTH CAROLINA TAXABLE INCOME OF AN INDIVIDUAL FOR PURPOSES OF THE SOUTH CAROLINA INCOME TAX ACT, SO AS TO ALLOW A MAXIMUM THREE THOUSAND DOLLAR A YEAR DEDUCTION FOR VOLUNTEER STATE CONSTABLES DESIGNATED BY THE STATE LAW ENFORCEMENT DIVISION AS STATE CONSTABLES AND TO PROVIDE THE ELIGIBILITY REQUIREMENTS FOR THIS DEDUCTION.

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

SECTION 1. A. Section 12‑6‑1140(10)(a) of the 1976 Code, as last amended by Act 116 of 2007, is further amended to read:

“(a) A deduction calculated as provided in this item for a volunteer firefighter, rescue squad member, volunteer member of a Hazardous Materials (HAZMAT) Response Team, reserve police officer, Department of Natural Resources deputy enforcement officer, ~~or~~ a member of the State Guard, or a volunteer state constable appointed pursuant to Section 23‑1‑60 for the purpose of assisting named law enforcement agencies and who has been designated by the State Law Enforcement Division as a state constable not otherwise eligible for this exemption.”

B. Section 12‑6‑1140(10)(c) of the 1976 Code, as last amended by Act 116 of 2007, is further amended by adding at the end:

“(v) In the case of a volunteer state constable and in lieu of minimum points determining eligibility, this deduction is allowed only if the volunteer state constable completes a minimum logged service time of two hundred forty hours per year and has been designated by the State Law Enforcement Division as a state constable before the taxable year for which the deduction is first claimed and if the volunteer state constable is current with the required SLED approved annual training for constables for the most recently completed fiscal year as evidenced by a copy of the documentation provided to SLED of this annual training filed with the volunteer state constable’s state income tax return.”

SECTION 2. This act takes effect upon approval by the Governor and applies for taxable years beginning after 2012.

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