



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
 (803)734-0640 • RFA.SC.GOV/IMPACTS

Bill Number: H.3926  
 Author: Willis  
 Requestor: House Education and Public Works  
 Date: April 14, 2015  
 Subject: Sales tax exemptions  
 RFA Analyst(s): Martin

**Estimate of Fiscal Impact**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>State Expenditure</b>		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	(\$6,000)	(\$12,000)
Other and Federal	(\$3,000)	(\$6,000)
<b>Local Expenditure</b>	N/A	N/A
<b>Local Revenue</b>	N/A	N/A

**Fiscal Impact Summary**

This bill would reduce sales and use tax of an estimated \$18,000 each full fiscal year. Since this act takes effect after December 31, 2015, sales and use tax would be reduced by one-half of a full fiscal year, or an estimated \$9,000 in FY2015-16. Of this amount, General Fund sales and use tax would be reduced by \$6,000, the EIA fund would be reduced by \$1,500, and the Homestead Exemption Fund would be reduced by \$1,500 in FY2015-16.

**Explanation of Fiscal Impact**

**State Expenditure**

Since this legislation makes no substantive changes to existing programs or resources, the Department of Motor Vehicles can administer the legislative changes with existing resources.

**State Revenue**

This bill would amend Section 12-36-2120(8) add a sales and use tax exemption of the sale of legal manuals and educational materials generated by the Department of Motor Vehicles. According to data provided by the South Carolina Department of Motor Vehicles (DMV), the sale of drivers and commercial drivers license manuals have totaled \$877,535 since the inception of the sale of the manuals in FY2011-12. The DMV receives about \$300,000 per full fiscal year. Multiplying \$300,000 by a sales and use tax rate of six percent yields a reduction of sales and use tax of an estimated \$18,000 each fiscal year. Of this amount, General Fund sales and use tax would be reduced by \$12,000, the EIA fund would be reduced by \$3,000, and the Homestead Exemption Fund would be reduced by \$3,000 each full fiscal year. Since this act takes effect after December 31, 2015, sales and use tax would be reduced by one-half of a full fiscal year, or

an estimated \$9,000 in FY2015-16. Of this amount, General Fund sales and use tax would be reduced by \$6,000, the EIA fund would be reduced by \$1,500, and the Homestead Exemption Fund would be reduced by \$1,500 in FY2015-16.

**Local Expenditure**

N/A

**Local Revenue**

N/A



---

Frank A. Rainwater, Executive Director