**South Carolina General Assembly**

124th Session, 2021-2022

**S. 925**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Bennett, Malloy, Massey, Williams, Young, Talley, Turner, Martin, Climer, Goldfinch, McElveen, Loftis, Shealy, Cromer, Corbin, M. Johnson, Gustafson, Hembree, Davis, Rice and Fanning

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Introduced in the Senate on December 7, 2021

Currently residing in the Senate Committee on **Finance**

Summary: SC Tax Policy Modernization Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/7/2021 Senate Introduced and read first time ([Senate Journal‑page 13](file:///h:\sj\20211207.docx))

12/7/2021 Senate Referred to Committee on **Finance** ([Senate Journal‑page 13](file:///h:\sj\20211207.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=925&session=124&summary=B) at the website

**VERSIONS OF THIS BILL**

[12/7/2021](file:///p:\pprever\2021-22\925_20211207.docx)

**A** **BILL**

TO ENACT THE SOUTH CAROLINA TAX POLICY MODERNIZATION ACT BY AMENDING CHAPTER 6, TITLE 12 OF THE 1976 CODE, RELATING TO THE SOUTH CAROLINA INCOME TAX ACT; BY AMENDING CHAPTER 36, TITLE 12 OF THE 1976 CODE, RELATING TO THE SOUTH CAROLINA SALES AND USE TAX ACT; BY AMENDING CHAPTER 37, TITLE 12 OF THE 1976 CODE, RELATING TO THE ASSESSMENT OF PROPERTY TAXES; AND FOR OTHER RELATED TAX REFORM PURPOSES.

Whereas, South Carolina primarily funds governmental expenditures from revenues collected by the state’s income, sales, and property taxes; and

Whereas, our current tax system is a patchwork of unsustainable, antiquated, and unfair ad hoc policy that inhibits our state’s economy and her citizens from reaching their full potential; and

Whereas, this multi-front tax storm means South Carolinians are facing an eroding tax base caused by uncompetitive policies, singular attempts to correct obvious inequities, and a multitude of exclusions and exemptions given to special interest groups; and

Whereas, data shows a decrease in the number of South Carolinians paying income taxes, with forty-two percent paying no income tax at all, but forty-one percent are subject to the top marginal income tax rate; and

Whereas, single persons and single parents shoulder a disproportionate share of the tax liability; and

Whereas, data indicates that one-third of goods are subject to sales tax but are haphazardly chosen, as evidenced by prepared food, which can be taxed up to ten percent, while certain groceries may not be taxed at all; and

Whereas, the state’s sales tax rate has doubled to six percent without accounting for local option sales taxes and hospitality rates; and

Whereas, special interest exclusions and exemptions have led the total number of properties subject to a full millage rate to plummet, directly impacting not only the state, but also local schools, economic development, and infrastructure; and

Whereas, while special interest groups enjoy special treatment, residential renters and small business owners can pay up to three times more property taxes than a homeowner; and

Whereas, per-person property taxes have increased thirty-one percent, as adjusted for inflation, since 1993; and

Whereas, South Carolina suffers from an eroding tax base, which results in high tax rates and tax burden inequality that reflect a critical need to modernize the State’s tax policy; and

Whereas, the General Assembly must resist the urge to further compound our tax policy problems with piecemeal or limited tax reform measures; and

Whereas, tax policy changes must be implemented comprehensively, simultaneously, and expeditiously to promote current and future economic growth, including private sector capital investment and job creation; to correct tax burden disparities and favoritism toward special interest groups; and to promote significantly lower taxes on a broader base. Now, therefore,

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

SECTION 1. This act must be known and may be cited as the “South Carolina Tax Policy Modernization Act.”

SECTION 2. Chapter 6, Title 12 of the 1976 Code is amended to read:

SECTION 3. Chapter 36, Title 12 of the 1976 Code is amended to read:

SECTION 4. Chapter 37, Title 12 of the 1976 Code is amended to read:

SECTION 5. This act takes effect upon approval by the Governor.

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