DISCLAIMER

The South Carolina Legislative Council is offering access to the unannotated South Carolina Code of Laws on the Internet as a service to the public. The unannotated South Carolina Code on the General Assembly's website is now current through the 2009 session. The unannotated South Carolina Code, consisting only of Code text and numbering, may be copied from this website at the reader's expense and effort without need for permission.

The Legislative Council is unable to assist users of this service with legal questions. Also, legislative staff cannot respond to requests for legal advice or the application of the law to specific facts. Therefore, to understand and protect your legal rights, you should consult your own private lawyer regarding all legal questions.

While every effort was made to ensure the accuracy and completeness of the unannotated South Carolina Code available on the South Carolina General Assembly's website, the unannotated South Carolina Code is not official, and the state agencies preparing this website and the General Assembly are not responsible for any errors or omissions which may occur in these files. Only the current published volumes of the South Carolina Code of Laws Annotated and any pertinent acts and joint resolutions contain the official version.

Please note that the Legislative Council is not able to respond to individual inquiries regarding research or the features, format, or use of this website. However, you may notify Legislative Printing, Information and Technology Systems at [LPITS@scstatehouse.gov](mailto:LPITS@scstatehouse.net) regarding any apparent errors or omissions in content of Code sections on this website, in which case LPITS will relay the information to appropriate staff members of the South Carolina Legislative Council for investigation.

CHAPTER 13.

INCOME TAX ON BUILDING AND LOAN ASSOCIATIONS

**SECTION 12‑13‑10.** “Association” defined.

For the purpose of this chapter, the word “association” includes any mutual or stock‑chartered corporation insured by the Federal Savings and Loan Insurance Corporation or any corporation subject to regulatory supervision by the Federal Home Loan Bank or the Savings and Loan Division of the State Board of Financial Institutions. Such banks as are taxable under the provisions of Sections 12‑11‑10 to 12‑11‑60 are not included.

**SECTION 12‑13‑20.** “Net income” defined.

The term “net income”, as used in this chapter, means taxable income as determined for a regular corporation in Chapter 6 of this title after deducting all earnings accrued, paid, credited, or set aside for the benefit of holders of savings or investment accounts, any additions to reserves which are required by law, regulation, or direction of appropriate supervisory agencies, and a bad debt deduction. The bad debt deduction allowable for South Carolina income tax purposes is the amount determined under the Internal Revenue Code as defined in Section 12‑6‑40. No deductions from income are allowed for any additions to undivided profits or surplus accounts other than herein required, and for the purposes of this chapter, a state‑organized association is allowed the same deductions for bad debt reserves as those allowed to federally organized associations. Associations shall maintain the bad debt reserves allowed as a deduction pursuant to this section in accordance with the provisions of the Internal Revenue Code as defined in Section 12‑6‑40 and shall keep a permanent record. These provisions are controlling notwithstanding any other provision of law.

**SECTION 12‑13‑30.** Imposition of tax on net income; rate.

Every association located or doing business within this State shall pay an income tax measured by its net income from all sources, except for income from municipal, state, or federal bonds or securities exempted by law from the tax, including interest earned on deposits at the Federal Home Loan Bank of Atlanta, or its successors, for those savings and loan associations which meet the qualified thrift lender test set forth in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (P.L. 101‑73), as amended. The tax is six percent of the net income.

**SECTION 12‑13‑40.** Exemptions.

Associations shall be exempt from the provisions of this chapter during the first three years of their operation. The provisions of this chapter shall not apply to employees’ credit unions.

**SECTION 12‑13‑50.** Tax shall be in lieu of other taxes; exceptions.

The income tax provided in this chapter shall be in lieu of any and all other taxes on such associations, except use taxes, deed recording fees, and taxes on real property. The real property of any such association shall be taxed in the place where it may be located, the same as the real property of individuals.

**SECTION 12‑13‑60.** Appropriate Chapter 6 provisions to govern enforcement and administration of tax.

For the purpose of administration, enforcement, collection, liens, penalties, and similar provisions, all of the provisions of Chapter 6 of this title that are appropriate or applicable are adopted and made a part of this chapter, including the requirements of declaration and payment of estimated tax.

**SECTION 12‑13‑70.** Chapter shall be administered by Department of Revenue; rules and regulations.

The income tax imposed by this chapter is administered by the South Carolina Department of Revenue. The department may make regulations not inconsistent with law as may be required for the proper administration and enforcement of this chapter, and the department’s regulations have full force and effect of law.

**SECTION 12‑13‑80.** Form and filing of returns.

Returns with respect to the income tax herein imposed shall be in such form as the department may prescribe. Returns shall be filed with the department on or before the fifteenth day of the third month following the close of the accounting period of the association.

**SECTION 12‑13‑90.** Payment of tax.

The income tax imposed by this chapter shall be paid in full to the department at the same time the return is filed.

**SECTION 12‑13‑100.** Disposition of proceeds.

All moneys collected by the department under the provisions of this chapter shall be deposited with the State Treasurer to the credit of the general fund.