

SOUTH CAROLINA
HOUSE AMENDMENT

AMENDMENT NO. _____

David Good
April 29, 2025

ADOPTED	REJECTED	TABLED	ADJOURN DEBATE	RECONSIDERED	ROO

Clerk of the House

ADOPTION NO. _____

BILL NO: H. 4216

(Reference is to the original version)

The Committee on Ways and Means proposes the following amendment (LC-4216.DG0010H):

Amend the bill, as and if amended, by striking SECTION 1 and inserting:

SECTION X. Section 12-6-510(C) of the S.C. Code is amended to read:

(C)(1) Notwithstanding subsections (A) and (B), for taxable years beginning after 2025, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

<u>At least</u>	<u>But less than</u>	<u>Compute tax as follows</u>
<u>\$0</u>	<u>\$30,000</u>	<u>1.99% times the amount</u>
<u>\$30,000</u>	<u>or more</u>	<u>5.39% times the amount</u> <u>minus \$1,020</u>

(2)(a) Notwithstanding the provisions of item (1), beginning with Tax Year 2027 and each year thereafter, the top marginal income tax rate set forth in item (1) must be decreased if individual income tax revenues collected pursuant to this chapter, minus amounts credited to the Trust Fund for Tax Relief, are projected to increase by at least five percent in the fiscal year that begins during the tax year in comparison to projected individual income tax revenues collected pursuant to this chapter, minus amounts credited to the Trust Fund for Tax Relief, for the current fiscal year. The reduction required by this item shall continue until the top marginal income tax rate equals 1.99 percent.

(b) Beginning with the first tax year after the reduction required by subitem (a) is fully complete, the 1.99 percent must be decreased in the same manner as provided in subitem (a) until the income tax rate equals zero percent. Additionally, once the reduction required by subitem (a) is fully complete, notwithstanding item (1), the 1.99%, or further reduced rate, shall apply to all South Carolina taxable income.

(c) The Board of Economic Advisors shall make the determination regarding income tax projections beginning with the initial forecast required pursuant to Section 11-9-1130.

(3) If the five percent threshold set forth in item (2) is met, the income tax rate shall be permanently and cumulatively reduced by a percentage that the Board of Economic Advisors projects to result in a reduction in individual income tax revenues collected pursuant to this chapter equal to two hundred million dollars in the fiscal year that begins during the tax year. However, if the five percent threshold set forth in item (2) is met and is not projected to result in increased collections of at least two hundred million dollars in the fiscal year that begins during the tax year, then the reduction is limited to the projected amount of increased collections. Any

reduction made pursuant to this subsection must be rounded up to the nearest hundredth of a percent.

(4) Upon the issuance of the initial forecast, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, shall notify the Department of Revenue of the projected percentage adjustment. The executive director, or his designee, shall provide similar notice if subsequent modifications to the forecast change the projected percentage adjustment. However, the forecast in effect on February fifteenth of the current fiscal year is the final forecast for which the percentage adjustment is determined, and no subsequent forecast modifications may have any effect on that determination.

(D) The department may prescribe tax tables consistent with the rates set pursuant to this section.

Amend the bill further, SECTION 2, by striking Section 12-6-50(21) and inserting:

(21) Section 63(b) through (g) relating to standard deductions and the itemized deduction and any other relevant provision of Section 63 that would otherwise allow for standard deductions and the itemized deduction which are hereby specifically not allowed or adopted.

Amend the bill further, SECTION 3, by striking Section 12-6-1140(15)(a)(i), (ii), and (iii) and inserting:

- (i) ~~six~~-fifteen thousand dollars for taxpayers that file as single or married filing separately;
- (ii) ~~nine~~-twenty-two thousand five hundred dollars for taxpayers that file as head of household; and
- (iii) ~~twelve~~-thirty thousand dollars for taxpayers that file as married filing jointly or as a surviving spouse.

Amend the bill further, SECTION 3, by striking Section 12-6-1140(15)(b)(i), (ii), and (iii) and

inserting:

(b)(i) The deduction set forth in subitem (a)(i) is subject to being reduced by a fraction whereby the numerator is the amount the taxpayer's ~~South Carolina taxable~~federal adjusted gross income exceeds ~~thirty-four~~y thousand dollars and the denominator is ~~ten-fifty-five~~ thousand.

(ii) The deduction set forth in subitem (a)(ii) is subject to being reduced by a fraction whereby the numerator is the amount the taxpayer's ~~South Carolina taxable~~federal adjusted gross income exceeds ~~forty-five~~sixty thousand dollars and the denominator is ~~fifteen-eighty-two~~ thousand and five hundred.

(iii) The deduction set forth in subitem (a)(iii) is subject to being reduced by a fraction whereby the numerator is the amount the taxpayer's ~~South Carolina taxable~~federal adjusted gross income exceeds ~~sixty-eighty~~ thousand dollars and the denominator is ~~twenty-one hundred and ten~~ thousand.

Amend the bill further, by adding an appropriately numbered SECTION to read:

SECTION X. Section 12-6-3632 of the S.C. Code is amended to read:

Section 12-6-3632. There is allowed as a nonrefundable credit against the tax imposed pursuant to Section 12-6-510 on a full-year resident individual taxpayer an amount equal to one hundred twenty-five percent of the federal earned income tax credit (EITC) allowed the taxpayer pursuant to Internal Revenue Code Section 32, but not to exceed two hundred dollars.

Renumber sections to conform.
Amend title to conform.