

TAX EXPENDITURE REPORT

FY 2021-22 to FY 2023-24



Prepared Pursuant to

S.C. Code of Laws, Section 11-9-830(7)

South Carolina Revenue and Fiscal Affairs Office

January 2023

Introduction

Act 83 of 2019 requires the Revenue and Fiscal Affairs Office (RFA) to annually submit a tax expenditure report to the General Assembly of South Carolina. As directed in Sections 11-9-805(3) and 11-9-830(7), this report itemizes the estimated loss of General Fund revenue from a special exclusion, exemption, or deduction from gross income, which provides a special credit, preferential rate of tax, or deferral of tax liability, or distributes state funds pursuant to an incentive program or fund. Thus, tax expenditures include any reductions in income tax liabilities resulting from provisions that provide benefits, special incentive programs, or funds to particular taxpayers. For completeness, any items that add to income tax, which may offset other provisions, are included as negative tax expenditures.

This report provides an estimate of the amount by which state revenue is reduced due to the tax expenditure. The estimate for each tax expenditure item was made in isolation. Therefore, interactions between tax provisions are not included in the estimates. Over counting or under counting may occur in some situations, such as when one tax is a deduction or credit in determining another tax. In some cases, the estimated loss in revenue is the same amount as would be gained should the tax expenditure be removed, but it cannot be automatically assumed. The estimates are based on historical tax data provided by the Department of Revenue and the Department of Insurance and projections by RFA. The estimates for the current and upcoming fiscal years are subject to change as more data becomes available.

The estimates are based on current economic activity and tax law provisions. Please be aware that these estimates may not represent the fiscal impact estimate for the removal of the tax expenditure. Estimating the removal of a tax expenditure will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts. Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

In this report, all revenue losses are estimated and rounded to the nearest \$1,000. While the requirements in Section 11-9-830 specify items in excess of \$100,000, items with a tax expenditure of less than \$100,000 are noted for completeness. Any tax credits administered by the Department of Revenue with fewer than 5 returns claiming the credit or that are not disclosed in the most recent annual report published by the Department of Revenue are not disclosed in this report. If there is not enough information available to make an estimate or if the provision expires within the forecasted timeframe, a label of "No Estimate" is given. Summations of the amounts are given by tax category. However, if these categories include items for which estimates

are not available, the un-estimated items may result in tax categories being understated as to the true total impact of these tax expenditures.

Please see the appendix for data sources, tax rates, and other related information.

SUMMARY OF TAX EXPENDITURES BY TAX CATEGORY

Total Tax Credits, Deductions, or Rebates Claimed by Tax Category

Tax Category	FY 2021-22	FY 2022-23	FY 2023-24
Individual Income Tax Credits	\$695,065,000	\$856,306,000	\$973,561,000
Individual Income Tax Deductions	\$3,371,485,000	\$2,965,590,000	\$3,070,901,000
Corporate Income or License Tax Credits	\$188,862,000	\$188,931,000	\$188,931,000
Bank Tax Credits	\$3,365,000	\$3,365,000	\$3,365,000
Insurance Tax Credits	\$49,993,000	\$50,414,000	\$51,292,000
Job Development and Retraining Credits	\$76,787,000	\$77,802,000	\$78,831,000
Electric Power Excise Tax Disposition	\$28,415,000	\$28,415,000	\$28,415,000
Motion Picture Film Rebates	\$17,678,000	\$21,893,000	\$20,874,000
Total	\$4,431,650,000	\$4,192,716,000	\$4,416,170,000

Notes: These values represent the forecasted amounts for the total tax credits, deductions, or rebates claimed by taxpayers. These values do not include any forecast less than \$100,000 or items that are not estimated/disclosed. The un-estimated items may result in totals being understated as to the true total impact of these tax expenditures.

Individual Income Tax Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
11-44-40	Angel Investor	\$4,935,000	\$5,354,000	\$5,213,000
11-45-55	Venture Capital Investment	<\$100,000	<\$100,000	No Estimate
12-6-590	Credit for Shareholder of S Corporation Banks	\$610,000	\$475,000	\$490,000
12-6-3330	Two Wage Earner	\$71,733,000	\$78,040,000	\$84,347,000
12-6-3340	Drip/Trickle Irrigation Systems	<\$100,000	<\$100,000	<\$100,000
12-6-3350	Minority Business	\$143,000	\$143,000	\$143,000
12-6-3360	New Jobs	\$29,474,000	\$29,498,000	\$29,583,000
12-6-3362	Accelerated Jobs	\$2,054,000	\$890,000	\$702,000
12-6-3370	Water Resources	<\$100,000	<\$100,000	<\$100,000
12-6-3375	Port Cargo Volume	**	**	**
12-6-3377	Alternative Motor Vehicle	\$133,000	\$120,000	\$120,000
12-6-3378	Agribusiness	**	**	**
12-6-3380	Child and Dependent Care	\$27,732,000	\$29,712,000	\$31,832,000
12-6-3381	Premarital Preparation Course	<\$100,000	<\$100,000	<\$100,000
12-6-3385	Tuition Tax Credit	\$5,520,000	\$5,520,000	\$5,716,000
12-6-3390	Nursing Home	<\$100,000	<\$100,000	<\$100,000
12-6-3400	Total Credit for Taxes Paid to Another State	\$410,082,000	\$477,255,000	\$555,430,000
12-6-3415	Research Expenses	\$7,652,000	\$11,234,000	\$13,244,000
12-6-3440	Child Care Program	<\$100,000	<\$100,000	<\$100,000
12-6-3470	Family Independence Payments	<\$100,000	<\$100,000	<\$100,000
12-6-3477	Apprenticeship	\$209,000	\$209,000	\$209,000
12-6-3500	Qualified Retirement Plan Contribution	\$164,000	\$164,000	\$164,000
12-6-3515	Qualified Conservation Contribution	\$5,027,000	\$7,551,000	\$7,551,000
12-6-3530	Community Development	\$943,000	\$1,000,000	\$1,000,000
12-6-3535	Certified Historic Structure	\$10,254,000	\$10,206,000	\$10,480,000
12-6-3550	Brownfields Cleanup	\$493,000	\$612,000	\$612,000
12-6-3560	Commercials	\$137,000	<\$100,000	<\$100,000
12-6-3570	Motion Pictures	**	No Estimate	No Estimate
12-6-3575	Health Insurance Pool	<\$100,000	<\$100,000	<\$100,000
12-6-3580	SC Quality Forum	**	**	**
12-6-3582	Anhydrous Ammonia	<\$100,000	<\$100,000	<\$100,000
12-6-3585	Industry Partnership Fund	\$4,163,000	\$4,163,000	\$4,163,000

Individual Income Tax Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
12-6-3587	Solar Energy or Small Hydropower System or Geothermal Machinery or Equipment	\$27,043,000	\$18,573,000	\$19,088,000
12-6-3588	Clean Energy	<\$100,000	\$401,000	\$293,000
12-6-3590	Milk Producer	\$1,475,000	\$1,475,000	\$1,475,000
12-6-3600	Ethanol or Biodiesel Production	**	**	**
12-6-3610	Renewable Fuel Facility	\$1,636,000	\$1,636,000	\$1,636,000
12-6-3622	Fire Sprinkler System	<\$100,000	<\$100,000	<\$100,000
12-6-3632	SC Earned Income	\$25,287,000	\$29,383,000	\$31,609,000
12-6-3660	Residential Retrofit	\$660,000	\$810,000	\$840,000
12-6-3670	Excess Premium Paid for Property and Casualty Insurance	\$2,771,000	\$3,073,000	\$3,407,000
12-6-3695	Alternative Fuel Property	\$114,000	<\$100,000	<\$100,000
12-6-3750	Venison for Charity	<\$100,000	<\$100,000	<\$100,000
12-6-3770	Solar Energy Property	\$3,339,000	\$2,500,000	\$2,500,000
12-6-3780	Motor Fuel	\$6,066,000	\$11,621,000	No Estimate
12-6-3790	Exceptional Needs Children's Fund	\$8,866,000	\$8,866,000	\$8,866,000
12-6-3795	South Carolina Housing	\$413,000	\$82,258,000	\$118,497,000
12-6-3800	Preceptor	<\$100,000	<\$100,000	<\$100,000
12-14-60	Capital Investment	\$2,969,000	\$2,830,000	\$2,830,000
12-65-30	Textiles Rehabilitation Credit	\$14,861,000	\$12,276,000	\$12,276,000
12-67-140	Abandoned Buildings Revitalization	\$13,643,000	\$13,643,000	\$13,643,000
48-52-870	Energy Efficient Manufactured Home	<\$100,000	<\$100,000	<\$100,000
49-29-100	Scenic Rivers Credit	**	**	**
Proviso 1A.9, FY 2022-23	Classroom Teacher Expenses	\$4,464,000	\$4,815,000	\$5,602,000
	Total	\$695,065,000	\$856,306,000	\$973,561,000

Notes: The total value does not include any forecast less than \$100,000 or items that are not estimated. The un-estimated items may result in totals being understated as to the true total impact of these tax expenditures.

** - Less than 5 taxpayers

Individual Income Tax Deductions

Code Section	Tax Deduction	FY 2021-22	FY 2022-23	FY 2023-24
12-6-545	Active Trade or Business Income Deduction	\$363,698,000	\$332,379,000	\$352,322,000
12-6-1120(1)	Interest income on obligations of states and political subdivisions other than South Carolina	\$14,800,000	\$14,152,000	\$13,532,000
12-6-1120(1)	Interest income from obligations to the US government	\$4,008,000	\$4,008,000	\$4,008,000
12-6-1120(2)	State tax refund	\$5,496,000	\$5,496,000	\$5,496,000
12-6-1120(4)	Social security and/or railroad retirement	\$486,431,000	\$515,130,000	\$559,946,000
12-6-1120(7)	Expenses related to National Guard and Military Reserve Income	\$338,000	\$351,000	\$364,000
12-6-1120(7)	Certain nontaxable National Guard or Reserve Pay	\$4,413,000	\$4,576,000	\$4,745,000
12-6-1130(2)	State tax addback	\$28,425,000	\$29,079,000	\$29,747,000
12-6-1140(1)	44% of net capital gains	\$569,140,000	\$262,645,000	\$262,645,000
12-6-1140(2)	Dependents under the age of 6 years	\$76,455,000	\$76,646,000	\$76,838,000
12-6-1140(4)	Disability retirement income	\$8,904,000	\$10,281,000	\$11,872,000
12-6-1140(6)	Subsistence allowance	\$1,701,000	\$1,740,000	\$1,780,000
12-6-1140(10)	Volunteer deductions	\$1,000,000	\$959,000	\$920,000
12-6-1140(11), (12)	Contributions to SC College Investment Program or Tuition Prepayment Program	\$21,766,000	\$25,104,000	\$28,954,000
12-6-1140(13)	Dependent Exemption	\$331,294,000	\$338,914,000	\$346,709,000
12-6-1140(14)	Preceptor Deduction	<\$100,000	<\$100,000	<\$100,000
12-6-1170(A)	Retirement Deduction	\$176,928,000	\$188,013,000	\$199,846,000
12-6-1170(B)	Age 65 and older deduction: Taxpayer	\$276,318,000	\$275,589,000	\$274,876,000
12-6-1171	Military Retirement Deduction	\$37,362,000	\$46,193,000	\$47,028,000
12-6-2220	Out-of-state losses	\$31,428,000	\$32,151,000	\$32,890,000
12-6-2220	Out-of-state income/gain	\$423,076,000	\$330,307,000	\$337,904,000

Individual Income Tax Deductions

Code Section	Tax Deduction	FY 2021-22	FY 2022-23	FY 2023-24
Proviso 118.10, FY 2022-23	Consumer Protection Services	<\$100,000	<\$100,000	<\$100,000
12-6-1120(5), 12-6-50	Other additions to income (multiple provisions)	\$280,620,000	\$287,075,000	\$293,677,000
12-6-1140(5), (7), (12)	Other subtractions from income (multiple provisions)	\$227,884,000	\$184,802,000	\$184,802,000
	Total	\$3,371,485,000	\$2,965,590,000	\$3,070,901,000

Notes: The total value does not include any forecast less than \$100,000 or items that are not estimated. The un-estimated items may result in totals being understated as to the true total impact of these tax expenditures.

Corporate Income and License Tax Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
11-44-40	Angel Investor	**	**	**
11-45-55	Venture Capital Investment	**	**	**
12-6-3340	Drip/Trickle Irrigation	**	**	**
12-6-3350	Minority Business	**	**	**
12-6-3360	New Jobs	\$82,503,000	\$82,572,000	\$82,572,000
12-6-3367	Corporate Tax Moratorium	No Estimate	No Estimate	No Estimate
12-6-3370	Water Resources	No Estimate	No Estimate	No Estimate
12-6-3375	Port Cargo	**	**	**
12-6-3377	Alternative Motor Vehicle	No Estimate	No Estimate	No Estimate
12-6-3378	Agribusiness	No Estimate	No Estimate	No Estimate
12-6-3410	Corporate Headquarters	**	**	**
12-6-3415	Research Expenses	\$56,890,000	\$56,890,000	\$56,890,000
12-6-3420	Infrastructure	**	**	**
12-6-3440	Child Care Program	No Estimate	No Estimate	No Estimate
12-6-3465	Recycling Facility	**	**	**
12-6-3470	Family Independence Payments	<\$100,000	<\$100,000	<\$100,000
12-6-3477	Apprenticeship	\$807,000	\$807,000	\$807,000
12-6-3515	Qualified Conservation Contribution	**	**	**
12-6-3530	Community Development	**	**	**
12-6-3535	Certified Historic Structure	**	**	**
12-6-3550	Brownfields Cleanup	<\$100,000	<\$100,000	<\$100,000
12-6-3560	Commercials	No Estimate	No Estimate	No Estimate
12-6-3570	Motion Pictures	**	**	**
12-6-3580	SC Quality Forum	No Estimate	No Estimate	No Estimate
12-6-3582	Anhydrous Ammonia	No Estimate	No Estimate	No Estimate
12-6-3585	Industry Partnership Fund	**	**	**
12-6-3587	Solar Energy or Small Hydropower System or Geothermal Machinery or Equipment	\$860,000	\$860,000	\$860,000
12-6-3588	Clean Energy	No Estimate	No Estimate	No Estimate
12-6-3589	Whole Effluent Toxicity Testing	**	**	**
12-6-3590	Milk Producer	\$710,000	\$710,000	\$710,000
12-6-3600	Ethanol or Biodiesel Production	No Estimate	No Estimate	No Estimate
12-6-3610	Renewable Fuel Facility	No Estimate	No Estimate	No Estimate

Corporate Income and License Tax Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
12-6-3620	Biomass Resource	**	**	**
12-6-3622	Fire Sprinkler System	No Estimate	No Estimate	No Estimate
12-6-3695	Alternative Fuel Property	**	**	**
12-6-3750	Venison for Charity	No Estimate	No Estimate	No Estimate
12-6-3770	Solar Energy Property	**	**	**
12-6-3780	Motor Fuel	<\$100,000	<\$100,000	<\$100,000
12-6-3790	Exceptional Needs Children's Fund	**	**	**
12-6-3795	South Carolina Housing	No Estimate	No Estimate	No Estimate
12-14-60	Investment	\$40,869,000	\$40,869,000	\$40,869,000
12-20-105	Infrastructure	\$6,223,000	\$6,223,000	\$6,223,000
12-65-30	Textiles Rehabilitation	**	**	**
12-67-140	Abandoned Buildings Revitalization	**	**	**
48-52-870	Energy Efficient Manufactured Home	No Estimate	No Estimate	No Estimate
49-29-100	Scenic Rivers	No Estimate	No Estimate	No Estimate
	Total	\$188,862,000	\$188,931,000	\$188,931,000

may result in totals being understated as to the true total impact of these tax expenditures.

** - Less than 5 taxpayers

Bank Tax Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
12-6-3360	New Jobs	\$3,365,000	\$3,365,000	\$3,365,000
12-6-3410	Corporate Headquarters	**	**	**
12-6-3415	Research Expenses	**	**	**
12-6-3477	Apprenticeship	**	**	**
12-6-3515	Qualified Conservation Contribution	**	**	**
12-6-3535	Certified Historic Structure	**	**	**
12-6-3587	Solar Energy or Small Hydropower System or Geothermal Machinery or Equipment	**	**	**
12-65-30	Textiles Rehabilitation	**	**	**
12-67-140	Abandoned Buildings Revitalization	**	**	**
	Total	\$3,365,000	\$3,365,000	\$3,365,000

Notes: The total value does not include any forecast less than \$100,000 or items that are not estimated. The un-estimated items may result in totals being understated as to the true total impact of these tax expenditures.

*** - Less than 5 taxpayers*

Insurance Tax Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
11-45-55	Venture Capital Investment	\$5,000,000	\$3,900,000	\$3,900,000
12-6-3360	New Jobs	\$3,076,000	\$3,278,000	\$3,493,000
12-6-3367	Corporate Tax Moratorium	No Estimate	No Estimate	No Estimate
12-6-3415	Research Expenses	\$945,000	\$1,435,000	\$1,435,000
12-6-3530	Community Development	No Estimate	No Estimate	No Estimate
12-6-3535	Certified Historic Structure	\$6,591,000	\$6,298,000	\$6,298,000
12-6-3795	South Carolina Housing	\$1,503,000	\$1,503,000	\$1,503,000
12-65-30	Textiles Rehabilitation	\$16,350,000	\$16,989,000	\$17,652,000
12-67-140	Abandoned Buildings Revitalization	\$1,638,000	\$2,223,000	\$2,223,000
38-7-200	Coastal Premium Tax	\$102,000	<\$100,000	<\$100,000
38-29-160	Life and Health Guaranty	\$13,922,000	\$13,922,000	\$13,922,000
38-74-80	Health Insurance Pool	\$866,000	\$866,000	\$866,000
	Total	\$49,993,000	\$50,414,000	\$51,292,000

Notes: The total value does not include any forecast less than \$100,000 or items that are not estimated. The un-estimated items may result in totals being understated as to the true total impact of these tax expenditures.

Job Development and Retraining Credits

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
12-10-80	Job Development Credit	\$75,286,000	\$76,301,000	\$77,330,000
12-10-95	Job Retraining Credit	\$1,501,000	\$1,501,000	\$1,501,000
	Total	\$76,787,000	\$77,802,000	\$78,831,000

Electric Power Tax Disposition

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
12-28-2915	Disposition of Electric Power Tax	\$28,415,000	\$28,415,000	\$28,415,000
	Total	\$28,415,000	\$28,415,000	\$28,415,000

Motion Picture Film Rebates

Code Section	Tax Credit	FY 2021-22	FY 2022-23	FY 2023-24
12-62-50	Film Commission Rebate	\$10,000,000	\$10,000,000	\$10,000,000
12-62-60	Distribution of Admissions Tax to Film Commission	\$7,678,000	\$11,893,000	\$10,874,000
	Total	\$17,678,000	\$21,893,000	\$20,874,000

Appendix

Data Notes

- Projections for Individual Income Tax Credits and Deductions are based upon individual income tax data provided by the Department of Revenue.
- Projections for Job Development and Retraining Credits are calculated using historical tax data from the Department of Revenue's Annual Report.
- Projections for Corporate Income Tax Credits, Bank Tax Credits, and Savings and Loan Association Tax Credits are based on data provided by the Department of Revenue.
- Projections for Insurance Tax Credits are based on data provided by the Department of Insurance.
- Electric Power Tax Disposition and Motion Picture Film Rebate forecasts are based on Board of Economic Advisors (BEA) revenue data and projections.
- Any tax credits administered by the Department of Revenue with fewer than 5 returns claiming the credit or that are not disclosed in the most recent annual report published by the Department of Revenue are not disclosed in this report.

Definitions

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.

Income Tax Rates - Individual

12-6-510. Tax Rates for Individuals, Estates, and Trusts for Taxable Years After 1994 –
(A) Subject to the provisions of subsection (B), for taxable years beginning after 1994, 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:

Not over \$2,220	2.5 percent of taxable income
Over \$2,220 but not over \$4,440	\$56 plus 3 percent of the excess over \$2,220
Over \$4,440 but not over \$6,660	\$123 plus 4 percent of the excess over \$4,440
Over \$6,660 but not over \$8,880	\$212 plus 5 percent of the excess of \$6,660
Over \$8,880 but not over \$11,100	\$323 plus 6 percent of the excess over \$8,880
Over \$11,100	\$456 plus 7 percent of the excess over \$11,100

(B)(1) Notwithstanding subsection (A), for taxable years beginning after 2021, 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:

At least	But less than	Compute the tax as follows
\$0	\$3,200	0% times the amount
\$3,200	\$16,040	3% times the amount minus \$96
\$16,040	or more	6% times the amount minus \$577

(2) Notwithstanding the provisions of item (1), the reduction in the top marginal rate contained in this item, as compared to the same in subsection (A), must be phased-in as provided in item (3). Until the top marginal rate is fully phased-in, the bracket to which this reduced top marginal rate applies must be the same as the bracket for the top marginal rate provided in subsection (A). All reductions are permanent and cumulative. During the phase-in and after, the department shall continue to adjust the brackets as provided in Section 12-6-520. Other than the top marginal rate, no other component of this item is phased-in.

(3) For Tax Year 2022, the top marginal rate shall equal 6.5%. Beginning with Tax Year 2023, and each year thereafter until the top marginal rate equals 6%, the top marginal rate must decrease by one-tenth of one percent if general fund revenues are projected to increase by at least five percent in the fiscal year that begins during the tax year. For purposes of this subsection, beginning with the initial forecast required pursuant to Section 11-9-1130, the general fund revenues projection must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' most recent projection of recurring general fund revenue for the upcoming fiscal year. 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. For purposes of this section, "recurring general fund revenue" and "recurring general fund expenditure base" have the same meaning as provided in Section 6-27-30.

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

12-6-545(B). Income Tax Rates for Pass-through Trade and Business Income; Determination of Income Related to Personal Services

(B)(1) Notwithstanding Section 12-6-510, a taxpayer may elect annually to have the income tax at the rate provided in item (2) of this subsection imposed annually on the active trade or business income received by the owner of a pass-through business. For joint returns, the election is effective for both spouses. The amount subject to tax pursuant to this section is not subject to tax pursuant to Section 12-6-510.

(2) The rate of the income tax imposed pursuant to this subsection is 3 percent.

Income Tax Rates - Corporate

12-6-530. Corporate income tax - An income tax is imposed annually at the rate of five percent on the South Carolina taxable income of every corporation, other than those described in Sections 12-6-540 and 12-6-550, and any other entity taxed using the rates of a corporation for federal income tax purposes, transacting, conducting, or doing business within this State or having income within this State, regardless of whether these activities are carried on in intrastate, interstate, or foreign commerce. The terms "transacting", "conducting", and "doing business" include transacting or engaging in any activity for the purpose of financial profit or gain.

Bank Tax Rate

12-11-20. Tax on Income of Banks; Rate. - A tax is imposed upon every bank engaged in business in the State which shall be levied, collected and paid annually with respect to the entire net income of the taxpayer doing a banking business within this State or from the sales or rentals of property within this State, computed at the rate of four and one half per cent of the entire net income of such bank or taxpayer.

12-11-30. Income Tax to be Instead of Other Taxes; Exceptions. - The income tax provided for in this chapter is instead of all other taxes on banks, except the use tax, the deed recording fee, and taxes on real property. The real property of a bank is taxed in the place where it is located.

Insurance Tax Rate

38-7-20. Insurance Premium Taxes; Allocation - (A)(1) In addition to all license fees and taxes otherwise provided by law, there is levied upon each insurance company licensed by the director or his designee an insurance premium tax based upon total premiums, other than workers' compensation insurance premiums, and annuity considerations, written by the company in the State during each calendar year ending on the thirty-first day of December. For life insurance, the insurance premium tax levied herein is equal to three-fourths of one percent of the total premiums written. For all other types of insurance, the insurance premium tax levied in this section is equal to one and one-fourth percent of the total premiums written.

Electric Power Excise Tax Rate

12-23-10. Imposition of Tax; Rate - In addition to all other taxes of every kind imposed by law:

(1) every person, except the State, a county, a municipality, or an agency or political subdivision of it, engaged in the business of selling electric power for resale within the State is subject to the payment of an excise, license, or privilege tax of five-tenths of one mill upon each kilowatt hour of electric power sold for resale within the State, except upon such electric power purchased from a vendor, however remote, previously taxed under this subsection. Sales for resale of an electric cooperative to a customer whose sales are taxed under subsection (2) must not be taxed under this subsection; and

(2) except a municipality, every public utility and electric cooperative engaged in the business of selling electric power within the State to the ultimate user of the power is subject to the payment of an excise, license, or privilege tax of five-tenths of one mill upon each kilowatt hour sold within the State to the ultimate user, except such electric power purchased from vendors, however remote, taxed under subsection (1).