**A** **BILL**

TO AMEND SECTION 12‑6‑1170, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE RETIREMENT INCOME DEDUCTION AND THE DEDUCTION ALLOWED TAXPAYERS WHO HAVE ATTAINED AGE SIXTY‑FIVE, SO AS TO SUBJECT OTHERWISE TAXABLE RETIREMENT INCOME TO A MAXIMUM STATE INCOME TAX RATE OF TWO PERCENT.

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

SECTION 1. Section 12‑6‑1170 of the 1976 Code, as last amended by Act 161 of 2005, is further amended by adding a new subsection at the end to read:

“(C) Notwithstanding the rates of the income tax imposed on South Carolina taxable income of individuals pursuant Section 12‑6‑510, that portion of South Carolina taxable income representing retirement income is subject to a maximum income tax rate of two percent. The Department of Revenue shall devise a computation to adjust the liability of a taxpayer to reflect this maximum rate.”

SECTION 2. This act takes effect upon approval by the Governor and applies for taxable years beginning after 2008.

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