



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4765
Author: G.R. Smith
Subject: Habitat for Humanity
Requestor: House Ways and Means
RFA Analyst(s): Shuford
Impact Date: March 2, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	(\$1,335)
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds. This bill will reduce General Fund individual income tax revenue by \$1,335 in FY 2017-18.

Explanation of Fiscal Impact

State Expenditure

The Department of Revenue indicates that this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Revenue

This bill amends Section 12-6-5060(A) to add Habitat for Humanity to the list of organizations that South Carolina taxpayers may designate for a voluntary contributions on their individual income tax return. These donations will either reduce a taxpayer's income tax refund or increase the amount of tax paid. Since 2006, nine charities have been added to the list of organizations to which taxpayers may donate through their tax returns. Contributions to these nine organizations averaged \$23,500 in tax year 2013, the latest data available from the Department of Revenue. If this bill is enacted, donations to Habitat for Humanity would begin on the 2016 tax return filed by April 17, 2017. Taxpayers could then claim a charitable deduction on their 2017 income tax return, thereby reducing their income tax liabilities in that year. We estimate that charitable donations will increase by \$23,500 in 2017 from the expected contributions to Habitat for Humanity. These contributions multiplied by an average tax rate of 5.68% will result in a reduction in General Fund individual income tax revenue of \$1,335 in FY 2017-18. If a taxpayer

claims a standard deduction rather than itemizing their deductions, the revenue reduction to the General Fund will be less than the \$1,335 estimate above.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director