**A** **BILL**

TO AMEND CHAPTER 6, TITLE 12 OF THE 1976 CODE, RELATING TO THE SOUTH CAROLINA INCOME TAX ACT, BY ADDING SECTION 12‑6‑3710, TO ALLOW A TAX CREDIT TO ANY TAXPAYER THAT EMPLOYS A FORMERLY INCARCERATED INDIVIDUAL AS A FULL‑TIME EMPLOYEE, TO SPECIFY THE TAXES FOR WHICH THE CREDIT MAY BE APPLIED, TO ALLOW THE CREDIT FOR TWENTY‑FOUR CONSECUTIVE MONTHS FOR EACH FORMERLY INCARCERATED INDIVIDUAL, TO SPECIFY ELIGIBILITY REQUIREMENTS, AND TO DEFINE NECESSARY TERMS.

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

SECTION 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3710. (A) For purposes of this section:

(1) ‘Full‑time’ has the same meaning as provided in Section 12‑6‑3360.

(2) ‘Incarcerated individual’ means an individual that was held in a federal, state, or county prison, jail, or detention center for at least ninety consecutive days, who has not been charged with or convicted of any crime since the end of his incarceration, and who has not been employed full‑time since the end of his incarceration; provided, however, that an individual who was incarcerated for a violent offense as defined in Section 16‑1‑60 shall not qualify as an incarcerated individual for the purposes of this section.

(B) For tax years beginning after 2014, there is allowed a tax credit for any taxpayer that employs a formerly incarcerated individual as a full‑time employee. An employer who employs one or more formerly incarcerated individuals is eligible to apply for and receive a credit against the taxes set forth in subsection (C). The amount of the credit is five hundred dollars a month for each formerly incarcerated individual employed. The monthly credit is earned after every thirty consecutive days the formerly incarcerated individual is employed.

(C) The credit allowed pursuant to this section may be taken against the income taxes imposed pursuant to this chapter, the bank tax imposed pursuant to Chapter 11 of this title, the savings and loan association tax imposed pursuant to Chapter 13 of this title, the corporate license tax imposed pursuant to Chapter 20 of this title, and insurance premium taxes imposed pursuant to Chapter 7, Title 38.

(D) The total tax credit an employer may claim for a taxable year may not exceed fifty thousand dollars and may not exceed the taxpayer’s tax liability. Any unused credit may be carried over to apply to the taxpayer’s succeeding year’s tax liability.

(E) The tax credit provided for in this section remains in effect for twenty‑four consecutive months for each eligible formerly incarcerated individual employed. The tax credit allowed by this section may only be claimed for an eligible individual for twenty‑four months, regardless of the employer.

(F) The department may prescribe forms and promulgate regulations necessary to implement the provisions of this section, including requiring the necessary documentation to prove eligibility.”

SECTION 2. This act takes effect upon approval by the Governor and applies to eligible employees first employed by the employer after the effective date of this act.

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