**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑511 SO AS TO ELIMINATE THE FOUR, FIVE, AND SIX PERCENT INCOME BRACKETS AND INSTEAD TAX THOSE INCOMES AT THREE AND 75/100THS PERCENT.

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

SECTION 1. Article 5, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑511. (A) Notwithstanding the provisions of Section 12‑6‑510, for taxable years beginning after 2014, 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:

OVER BUT NOT OVER

$ 0 $2,910 0% Times the amount

2,910 14,550 3.75% Times the amount less $107

14,550 7% Times the amount less $570

(B) The department may prescribe tax tables consistent with the rates set pursuant to subsection (A).

(C) Notwithstanding subsection (A), a taxpayer with a South Carolina taxable income of $9,894 or less is not subject to the provisions of this section, but rather is subject to the rates and brackets imposed pursuant to Sections 12‑6‑510 and 12‑6‑515 until the highest income qualifying for the zero percent tax bracket pursuant to this section has attained $9,894.

(D) The provisions of Sections 12‑6‑510, as indexed in accordance with Section 12‑6‑520, and Section 12‑6‑515 remain in effect until the highest income qualifying for the zero percent tax bracket pursuant to this section reaches $9,894.

(E) A taxpayer that is eligible to elect the income tax rate established in Section 12‑6‑545 instead of the income tax rate established in Section 12‑6‑510, also may elect the income tax rate established in Section 12‑6‑545 instead of the income tax rate set forth in this section.”

SECTION 2. This act takes effect upon approval by the Governor.

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