



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0978 Introduced on February 7, 2018
Author: Fanning
Subject: Job Tax Credit
Requestor: Senate Finance
RFA Analyst(s): Wren and Mitchell
Impact Date: February 14, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
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	(\$263,000)
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will reduce General Fund income tax, bank tax, or insurance premium tax revenue by an estimated \$263,000 annually, beginning in FY 2019-20 through FY 2026-27 for Fairfield County receiving the job tax credit that is one tier higher than the credit for which jobs created in the county would otherwise qualify. Fairfield County is the only county where utility property comprises at least 50 percent of the entire county’s tax base.

Explanation of Fiscal Impact

Introduced on February 7, 2018

State Expenditure

N/A

State Revenue

This bill allows a county whose utility property comprises at least 50 percent of the entire county’s tax base to receive the job credit that is one tier higher than the credit for which jobs created in the county would otherwise qualify. This section does not apply after 2027. The bill takes effect upon approval by the Governor and first applies to new jobs created after 2017.

Based upon the 2018 Preliminary Index of Taxpaying Ability from the Department of Revenue, Fairfield County is the only county whose utility property comprises at least 50 percent of the entire county’s tax base. Further, pursuant to the provisions of Section 12-6-3360, Fairfield County received a Tier III ranking in the 2018 Job Tax Credit County Rankings report produced by the Revenue and Fiscal Affairs Office in November 2017. Pursuant to the provisions of 12-6-

3360(C)(1), Tier III counties receive \$4,250 for the creation of each new full-time job, and Tier IV counties receive \$8,000. Additionally, the South Carolina Coordinating Council for Economic Development indicates that Fairfield County had 349 jobs approved for a revitalization agreement over the past five calendar years, which is approximately 70 jobs per year. Since Fairfield County has received a Tier III Job Tax Credit ranking for at least the past five years, we assume that the county will continue to receive a Tier III ranking for this analysis. Applying the difference of \$3,750 per job between Tier III and Tier IV rankings, we estimate that General Fund income tax, bank tax, or insurance premium tax revenue will be reduced by \$263,000 beginning in FY 2019-20 through FY 2026-27.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director