**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE “RURAL REVITALIZATION ACT”; TO AMEND SECTION 12‑6‑1140, AS AMENDED, RELATING TO DEDUCTIONS FROM THE SOUTH CAROLINA INDIVIDUAL INCOME TAX, SO AS TO ALLOW A DEDUCTION FOR ALL INCOME ATTRIBUTABLE TO CERTAIN EMPLOYMENT IN A TIER IV COUNTY, TO ALLOW THE DEDUCTION FOR FIVE YEARS, AND TO REQUIRE THE TAXPAYER TO RESIDE IN A TIER IV COUNTY.

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

SECTION 1. This act may be cited as the “Rural Revitalization Act”.

SECTION 2. Section 12‑6‑1140 of the 1976 Code, as last amended by Act 165 of 2016, is further amended by adding an appropriately numbered item to read:

“( )(a) all income attributable to the taxpayer’s qualifying employment in a qualifying county. The deduction allowed by this subitem only may be claimed against the taxpayer’s attributable income from the qualifying employment in the first full five years the taxpayer is licensed to perform the qualifying employment. To claim the deduction allowed by this item, the taxpayer also must reside in a qualifying county. For purposes of this subitem, qualifying employment means employment located in a qualifying county:

(i) as a teacher in a K‑12 school;

(ii) as an attorney in a circuit solicitor’s office, circuit public defender’s office, or in a neighborhood legal assistance program; and

(iii) as a health care professional. For purposes of this item, ‘health care professional’ means an individual who is licensed, certified, or otherwise authorized by the laws of this State to provide health care to members of the public;

(b) all income attributable to the employment in a qualifying county of a person who is honorably discharged from the Armed Forces of the United States. The deduction allowed by this subitem only may be claimed against the taxpayer’s attributable income from the employment in the first full five years after the taxpayer is honorably discharged. To claim the deduction allowed by this item, the taxpayer also must reside in a qualifying county.

(c) For purposes of this item, a qualifying county is a county designated as a Tier IV county, pursuant to Section 12‑6‑3360, in the previous tax year; however, once a taxpayer is allowed the deduction pursuant to this item, the taxpayer may continue to claim the deduction regardless of a county’s designation, so long as the county of employment and county of residency remain the same as the year the taxpayer was initially allowed the deduction.”

SECTION 3. This act takes effect upon approval by the Governor and applies to tax years beginning after 2016.

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