



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0647	Introduced on March 13, 2019
Author:	Martin	
Subject:	Nonrefundable Tax Credit for Donated Deer for Charity	
Requestor:	Senate Finance	
RFA Analyst(s):	Jolliff	
Impact Date:	March 19, 2019	

Fiscal Impact Summary

This bill is not expected to impact expenditures for the Department of Revenue (DOR). The bill is expected to reduce General Fund income tax revenue by approximately \$2,475 per year beginning in FY 2019-20 to add wild hogs to the existing nonrefundable income tax credit for processing deer for charitable donation.

Explanation of Fiscal Impact

Introduced on March 13, 2019

State Expenditure

This bill is not expected to impact expenditures for DOR. We anticipate that DOR can implement the required changes to forms for the revised tax credit during the annual updates to income tax forms.

State Revenue

This bill adds wild hogs to the nonrefundable tax credit for processing deer for donation to a charitable organization. Section 12-6-3750 provides a credit for a meat packer, butcher, or processing plant licensed or permitted by this State or the United States Department of Agriculture that, during the tax year for which the credit is claimed, had a valid contract with any nonprofit organization to process deer for donation to any charitable organization engaged in distributing food to the needy. No portion of the donated animal may be used by a commercial enterprise. The amount of the credit is \$75 for each carcass processed and donated. The credit must be claimed in the year earned and may not be carried to any other taxable year. The bill adds wild hogs to this section. The act takes effect upon approval by the Governor, and we assume that taxpayers will be able to claim the tax credit for tax year 2019.

Current hunting requirements for wild hogs do not allow the Department of Natural Resources (DNR) to determine the number of wild hogs harvested annually. For 2018, DNR reports that 897 wild hogs were harvested and trapped on Wildlife Management Areas. However, this figure does not include all wild hogs harvested.

S.C. Hunters for the Hungry, a 501(c)(3) charity, provided data on the processing of deer and hogs. The organization secured a total 50,660 lbs of venison and 17,975 lbs of wild hog meat last year. Based upon these figures, wild hogs accounted for approximately 26.2 percent. DOR's FY 2015-16 annual report indicates that 18 taxpayers claimed \$9,450 in tax credits for

the current venison for charity credit. Multiplying 26.2 percent times the reported \$9,450 in venison tax credits yields an estimate of \$2,475 in additional tax credits for wild hogs.

This analysis may under or overstate the potential tax credits due to data limitations. The tax credit is per carcass, and this estimate does not account for differences in weight or yield between deer and wild hogs. Further, we are unable to determine any potential increase in processing and donation of wild hogs that may occur as a result of providing the tax credit. Given the available data and limitations, we estimate that the bill will reduce General Fund income tax revenue by approximately \$2,475 per year beginning in FY 2019-20.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director