**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3710 SO AS TO ALLOW A FIVE THOUSAND DOLLAR TAX CREDIT TO ANY TAXPAYER THAT EMPLOYS A FORMERLY INCARCERATED INDIVIDUAL AS A FULL‑TIME EMPLOYEE FOR ONE YEAR, TO SPECIFY THE TAXES FOR WHICH THE CREDIT MAY BE APPLIED, AND SPECIFY ELIGIBILITY REQUIREMENTS.

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 tax years beginning after 2018, there is allowed a tax credit for any taxpayer that employs a formerly incarcerated individual as a full‑time employee. An employer who has one or more eligible employees is eligible to apply for and receive a credit against the taxes set forth in subsection (B). The amount of the credit is five thousand dollars for each eligible employee.

(B) 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.

(C) The total amount of the tax credit for a taxable year may not exceed the taxpayer’s tax liability. Any unused credit may be carried over to apply to the taxpayer’s succeeding year’s liability.

(D) The tax credit is earned in the year in which the formerly incarcerated individual completes the twelfth consecutive month of employment with the taxpayer. The tax credit allowed by this section only may be claimed for an eligible individual once, regardless of the employer.

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

(F) 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 state or county prison, jail, or detention center for at least ninety consecutive days.”

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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