**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑1230 SO AS TO ALLOW A TAXPAYER, ON THEIR 2019 TAX RETURN, TO DEDUCT A NET OPERATING LOSS THAT HAS OR WILL OCCUR IN TAX YEAR 2020 AS A RESULT OF THE COVID‑19 PANDEMIC.

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

SECTION 1. Article 9, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑1230. (A) Notwithstanding any other provision of law, for income tax year 2019, a taxpayer may estimate a net operating loss that has or will occur in tax year 2020 as a result of the COVID‑19 pandemic, and deduct that estimated loss on the taxpayer’s 2019 return. The estimated net operating loss may not exceed twenty‑five percent of the taxpayer’s South Carolina taxable income in tax year 2018; however, the department may waive the twenty‑five percent maximum and set a different maximum if the taxpayer’s South Carolina taxable income has substantially changed. For tax year 2020, the taxpayer is liable for any overestimated loss that was deducted in tax year 2019. A taxpayer may file an amended 2019 return to claim the deduction allowed by this section. The department may require any proof it determines necessary to verify the estimated loss.

(B) The department may adopt rules and promulgate regulations necessary to implement the provisions of this section including, but not limited to, determining which losses are a result of the COVID‑19 pandemic and the manner in which any overestimated loss is accounted for in tax year 2020.”

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

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