



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3457	Introduced on January 12, 2021
Author:	Robinson	
Subject:	Voluntary contributions	
Requestor:	House Ways and Means	
RFA Analyst(s):	Jolliff	
Impact Date:	February 19, 2021	

Fiscal Impact Summary

This bill creates the Poverty Elimination Bank to be used to fund poverty reduction initiatives in South Carolina. The fund may receive donations and grants from public and private sources, including a contribution on an income tax return pursuant to Section 12-6-5060, and any appropriations by the General Assembly. The Department of Revenue (DOR) will include the new contribution election with the annual update to income tax forms, and therefore, there is not an expenditure impact to the agency. The bill does not specify an agency to oversee the initiatives or the fund. Therefore, the potential expenditure impact overall is undetermined and will depend on the amount of funds available, scope of projects undertaken, and resources needed to administer the fund.

This bill may increase Other Funds revenue of the Poverty Elimination Bank beginning in FY 2021-22, but the amount of revenue that may be contributed to the fund is undetermined, as the amount that may be donated or appropriated is unknown. The average amount of revenue due to contributions on individual income tax returns is approximately \$27,000 annually.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill creates the Poverty Elimination Bank to be used to fund poverty reduction initiatives in South Carolina. The fund may receive donations and grants from public and private sources, including a contribution on an income tax return, and any appropriations by the General Assembly. DOR can include the new contribution election on the individual income tax return with the annual update to income tax forms, and therefore, there is not an expenditure impact to the agency. The bill does not specify an agency to oversee the initiatives or the fund. Therefore, the potential expenditure impact is undetermined and will depend on the amount of funds available, scope of projects undertaken, and resources needed to administer the fund.

State Revenue

This bill creates the Poverty Elimination Bank to be used to fund poverty reduction initiatives in South Carolina. The fund may receive donations and grants from public and private sources,

including a contribution on an income tax return, and any appropriations by the General Assembly.

Section 2 of the bill allows an individual income taxpayer to elect to contribute to the fund on the individual income tax return. Based upon DOR's annual report for 2018-2019, a total of 29,046 taxpayers contributed a total of \$456,888 to the existing seventeen income tax elections for an average of \$26,876 per election. Based upon these figures, we estimate that this bill may increase Other Funds revenue of the Poverty Elimination Bank by approximately \$27,000 per year or more beginning in FY 2021-22, but the total amount of revenue that may be contributed to the fund is undetermined, as the amount that may be donated or appropriated is unknown.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director