**A** **BILL**

TO AMEND SECTION 12‑6‑510 OF THE 1976 CODE, RELATING TO INCOME TAX RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS, TO REDUCE EACH TAX RATE BY ONE PERCENT OVER A FIVE‑YEAR PERIOD IN CERTAIN CIRCUMSTANCES; AND TO REPEAL SECTION 12‑6‑515 OF THE 1976 CODE, RELATING TO THE STATE INDIVIDUAL INCOME TAX BRACKET REDUCTION.

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

SECTION 1. Section 12‑6‑510 of the 1976 Code is amended to read:

“Section 12‑6‑510. (A)(1) For taxable years beginning after ~~1994~~ 2021, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12‑6‑530 through 12‑6‑550 computed at the following rates with the income brackets indexed in accordance with Section 12‑6‑520:

~~Not over $2,220~~ ~~2.5 percent of taxable income~~

~~Over $2,220 but not over $4,440~~ ~~$56 plus 3 percent of the excess over $2,220;~~

~~Over $4,440 but not over $6,660~~ ~~$123 plus 4 percent of the excess over $4,440;~~

~~Over $6,660 but not over $8,880~~ ~~$212 plus 5 percent of the excess of $6,660;~~

~~Over $8,880 but not over $11,100~~ ~~$323 plus 6 percent of the excess over $8,880;~~

~~Over $11,100~~ ~~$456 plus 7 percent of the excess over $11,100.~~

Not over $3,070 0 percent of taxable income;

Over $3,070 but not over $6,140 2.8 percent of taxable income over $3,070;

Over $6,140 but not over $9,210 $86 plus 3.8 percent of the excess over $6,140;

Over $9,210 but not over $12,280 $203 plus 4.8 percent of the excess of $9,210;

Over $12,280 but not over $15,350 $350 plus 5.8 percent of the excess of $12,280

Over $15,350 $528 plus 6.8 percent of the excess of $15,350.

(2)(a) Notwithstanding the rates set forth in item (1), beginning with Fiscal Year 2021‑22, if recurring general fund revenue collections for a fiscal year, after the Comptroller General closes the books, are at least five percent greater than recurring general fund revenue collections in the previous fiscal year, as determined by the Revenue and Fiscal Affairs Office, then each rate that applies to each bracket must be reduced by a permanent and cumulative two‑tenths of one percent. The reduced rate shall first apply in the first tax year that begins on or after the following January first.

(b) Once the requirements of subitem (a) have been met four times, the provisions of subitem (a) relating to continued rate reductions are no longer effective.

(B) The department may prescribe tax tables consistent with the rates set pursuant to subsection (A).”

SECTION 2. Section 12‑6‑515 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor.

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