**A** **BILL**

TO AMEND SECTION 12‑6‑1171 CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MILITARY RETIREMENT INCOME DEDUCTION, SO AS TO REMOVE CERTAIN LIMITS.

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

SECTION 1. Section 12‑6‑1171(A) of the 1976 Code is amended by adding an appropriately numbered item at the end to read:

“( )(a) Notwithstanding the maximum deduction of South Carolina earned income set forth in item (1), as limited by the amount of military retirement included in South Carolina taxable income, beginning in tax year 2022, the maximum deduction for such taxpayers is only limited further by the amount of South Carolina earned income.

(b) Notwithstanding the maximum deduction of military retirement income set forth in item (2), beginning in tax year 2022 all military retirement income may be deducted from South Carolina taxable income.”

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

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