**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 11‑11‑250 SO AS TO CREATE THE “PALMETTO DIVIDEND FUND” TO PROVIDE A FOUR HUNDRED DOLLAR CHECK TO EACH SOUTH CAROLINA CITIZEN OVER THE AGE OF SEVENTEEN EACH YEAR; AND BY ADDING SECTION 12‑6‑511 SO AS TO PROVIDE AN INCOME TAX RATE INCREASE OF ONE PERCENT ON THE TOP MARGINAL RATE FOR HOUSEHOLDS WITH A SOUTH CAROLINA TAXABLE INCOME BETWEEN $100,000 AND $165,000 AND AN INCREASE OF TWO PERCENT ON THE TOP MARGINAL RATE FOR HOUSEHOLDS WITH A SOUTH CAROLINA TAXABLE INCOME OVER $165,000.

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

SECTION 1. Article 1, Chapter 11, Title 11 of the 1976 Code is amended by adding:

“Section 11‑11‑250. There is created the ‘Palmetto Dividend Fund’. This fund is separate and distinct from the general fund of the State and all other funds. Earnings on this fund must be credited to it and any balance in this fund at the end of a fiscal year carries forward in the fund in the succeeding fiscal year. The fund must receive any revenue produced from the income tax increase provided in Section 12‑6‑511. Revenues credited to this fund must be used only by the South Carolina Treasurer’s Office to distribute a four hundred dollar check to each South Carolina citizen over the age of seventeen, as of December thirty first of the previous year. Beginning in 2022, the Treasurer shall distribute checks by July first of each year. The Treasurer shall determine the eligibility and manner in which the fund is distributed.”

SECTION 2. Article 5, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑511. Notwithstanding any other provision of law, the top marginal rate of tax imposed pursuant to Section 12‑6‑510(A) on a household with a South Carolina taxable income of over $100,000 but less than $165,000 is increased by one percent on the amount of income over $100,000. Additionally, the top marginal rate of tax imposed on a household with a South Carolina taxable income of over $165,000 is increased by two percent on the amount of income over $165,000. The revenue generated by this section must be credited to the Palmetto Dividend Fund created in Section 11‑11‑250.”

SECTION 3. This act takes effect upon approval by the Governor and applies to tax years after 2020.

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