**A** **BILL**

TO AMEND THE 1976 CODE, TO ENACT THE “WORKFORCE ENHANCEMENT AND MILITARY RECOGNITION ACT”; AND TO AMEND SECTION 12‑6‑1171 OF THE 1976 CODE, RELATING TO THE MILITARY RETIREMENT INCOME DEDUCTION, TO PHASE‑IN THE REMOVAL OF CERTAIN LIMITS.

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

SECTION 1. This act shall be known and may be cited as the “Workforce Enhancement and Military Recognition Act”.

SECTION 2. Section 12‑6‑1171(A) of the 1976 Code is amended by adding an appropriately numbered item 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 may not exceed twenty thousand four hundred dollars. Each year thereafter, the maximum deduction amount increases by two thousand nine hundred dollars through tax year 2027, after which the maximum deduction is limited only 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, the maximum deduction for such taxpayers may not exceed thirty‑three thousand dollars. Each year thereafter, the maximum deduction amount increases by three thousand dollars through tax year 2027, after which all military retirement income may be deducted from South Carolina taxable income.”

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

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