**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4018**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Trantham, Yow, Carter, Crawford, Atkinson, Nutt, Burns, Long, Chumley, Gibson, W. Newton, Erickson, Robbins, Hewitt, Oremus, Mitchell, J.E. Johnson, Hager, Bradley, Guest, Brittain, O'Neal, Lawson, Vaughan, Connell, Sessions, T. Moore, Hyde, West, Cromer, Beach, Hayes, Herbkersman, A.M. Morgan, Sandifer, Whitmire and Harris

Document Path: LC-0203SA23.docx

Introduced in the House on February 23, 2023

Currently residing in the House

Summary: Children's Promise Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/23/2023 House Introduced and read first time ([House Journal‑page 12](h:\hj\20230223.docx))

2/23/2023 House Referred to Committee on **Ways and Means** ([House Journal‑page 12](h:\hj\20230223.docx))

2/28/2023 House Member(s) request name added as sponsor: Harris

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4018&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/23/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4018_20230223.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE “CHILDREN’S PROMISE ACT”; AND BY ADDING SECTION 12‑6‑3810 SO AS TO PROVIDE FOR AN INCOME TAX CREDIT FOR A TAXPAYER WHO MAKES CERTAIN CONTRIBUTIONS TO A qualified CHARITABLE ORGANIZATION.

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

SECTION 1. This act may be cited as the “Children’s Promise Act”.

SECTION 2. Article 25, Chapter 6, Title 12 of the S.C. Code is amended by adding:

Section 12‑6‑3810. (A) For the purposes of this section, “qualified charitable organization” means an organization that:

(1) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(2) is a South Carolina nonprofit whose principal office is located in this State; and

(3) provides services for:

(a) the prevention and diversion of children from custody with the Department of Social Services;

(b) the safety, care, and well‑being of children in custody with the Department of Social Services;

(c) the express purpose of creating permanency for children through adoption;

(d) the prevention of the abuse, neglect, abandonment, exploitation, or trafficking of children;

(e) the provision of assistance related to carrying a pregnancy to term, preventing abortion, and promoting healthy childbirth;

(f) the provision of parenting classes to mothers and fathers and related activities to engage absent fathers to be more involved in their childrens’ lives; or

(g) the provision of workforce development services to children aged sixteen and older under the custody or care of the Department of Social Services.

(B)(1) A taxpayer may claim an income tax credit for voluntary cash contributions made by the taxpayer to a qualified charitable organization in the tax year. The amount of the credit may not exceed fifty percent of the total tax liability owed by the taxpayer in the tax year.

(2) If the amount of the credit exceeds fifty percent of the taxpayer's income tax liability for that taxable year, the taxpayer may carry forward the excess for up to five consecutive years.

(3) A contribution for which a credit is claimed pursuant to this section may not be used as an income tax deduction on the taxpayer’s South Carolina income tax return for the same tax year.

(4) The credit must be claimed by means of a form prescribed by the South Carolina Department of Revenue containing that information required by the department for the accurate and efficient administration of this credit. Taxpayers taking a credit authorized by this section shall provide the name of the qualified charitable organization and the amount of the contribution to the department on forms provided by the department.

(C)(1) A qualified charitable organization shall provide the department with a written certification that it meets all criteria to be considered a qualified charitable organization. The organization also shall notify the department within sixty days of any changes that may affect eligibility pursuant to this section.

(2) The qualified charitable organization's written certification must be signed by an officer of the organization under penalty of perjury. The written certification must include the following:

(a) certification of the organization's status under Section 501(c)(3) of the Internal Revenue Code;

(b) a statement that the organization does not provide, pay for, refer for, promote, or provide coverage of medication or surgical abortions and does not financially support or legally partner or affiliate with any other entity that provides, pays for, refers for, promotes, or provides coverage of abortions;

(c) a statement that the organization:

(i) maintains in this State its primary physical office or presence and that at least fifty percent of its clients claim to be residents of this State;

(ii) regularly answers a dedicated phone number;

(iii) in the previous fiscal year, did not receive more than fifty percent of its total annual revenue from federal, state, or local governmental grants or sources, either directly or as a contractor;

(iv) in the previous fiscal year, expended one hundred percent of any contributions received under this section to serve residents of this State.

(D) The department shall review each written certification and determine whether the organization meets all the criteria to be considered a qualified charitable organization and notify the organization of its determination. The department also may request periodically recertification from the organization. The department shall compile and make available to the public a list of qualified charitable organizations.

(E) In the application to the department, the taxpayer shall certify to the department the dollar amount of the contributions made or to be made during the tax year. Within thirty days after the receipt of an application, the department shall allocate credits based on the dollar amount of contributions as certified in the application. However, if the department cannot allocate the full amount of credits certified in the application due to the limit on the aggregate amount of credits that may be awarded pursuant to this section in a tax year, the department shall notify the applicant within thirty days with the amount of credits, if any, that may be allocated to the applicant in the tax year. Once the department has allocated credits to a taxpayer, if the contribution for which a credit is allocated has not been made as of the date of the allocation, then the contribution must be made not later than ninety days from the date of the allocation. If the contribution is not made within such time period, the allocation must be cancelled and returned to the department for reallocation. Upon final documentation of the contributions, if the actual dollar amount of the contributions is lower than the amount estimated, the department shall adjust the tax credit allowed under this section.

(F) The aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed fifteen million dollars. For credits allocated during a calendar year for contributions to qualified charitable organizations, no more than twenty percent of such credits may be allocated for contributions to a single qualified charitable organization.

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

‑‑‑‑XX‑‑‑‑