**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4534**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Beach, Trantham, Pope and McCravy

Companion/Similar bill(s): 547, 3928, 4102, 5080

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Introduced in the House on January 9, 2024

Currently residing in the House

Summary: First responder spouse tax exemption

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

11/16/2023 House Prefiled

11/16/2023 House Referred to Committee on **Ways and Means**

1/9/2024 House Introduced and read first time ([House Journal‑page 74](h:\hj\20240109.docx))

1/9/2024 House Referred to Committee on **Ways and Means** ([House Journal‑page 74](h:\hj\20240109.docx))

1/18/2024 House Member(s) request name added as sponsor: McCravy

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**VERSIONS OF THIS BILL**

[11/16/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4534_20231116.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12‑6‑1172 SO AS TO PROVIDE FOR A FIRST RESPONDER RETIREMENT INCOME DEDUCTION; BY AMENDING SECTION 12‑6‑1140, RELATING TO INCOME TAX DEDUCTIONS, SO AS TO PROVIDE AN INCOME TAX DEDUCTION FOR CERTAIN SURVIVING SPOUSES OF FIRST RESPONDERS; BY AMENDING SECTION 12‑6‑1170, RELATING TO THE RETIREMENT INCOME DEDUCTION, SO AS TO MAKE A CONFORMING CHANGE; BY AMENDING SECTION 12‑37‑220, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO PROVIDE THAT A QUALIFIED SURVIVING SPOUSE ALSO MEANS CERTAIN SURVIVING SPOUSES OF EMERGENCY MEDICAL TECHNICIANS; AND BY AMENDING SECTION 12‑36‑2510, RELATING TO CERTAIN SALES TAX CERTIFICATES, SO AS TO REQUIRE THE DEPARTMENT OF REVENUE TO ISSUE AN HONOR CARD TO A QUALIFIED SURVIVING SPOUSE.

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

SECTION 1. Article 9, Chapter 6, Title 12 of the S.C. Code is amended by adding:

Section 12‑6‑1172. (A) As used in this section:

(1) “First responder” means a person who is paid from public funds to serve as a law enforcement officer, firefighter, emergency medical technician, or peace officer, who is trained to respond to an emergency, and whose public service and public employer are of the type that qualify the person to be a member in the South Carolina Police Officers Retirement System, or otherwise would qualify the person to be a member if the State of South Carolina was the employer. First responder does not include magistrates, judges, or coroners.

(2) “Retirement income” means the total of all otherwise taxable income not subject to a penalty for premature distribution received by the taxpayer or the taxpayer’s surviving spouse in a taxable year from a qualified military retirement plan or qualified first responder retirement plan. For purposes of a surviving spouse, “military retirement income” also includes a retirement benefit plan and dependent indemnity compensation related to the deceased spouse’s military service.

(B) An individual taxpayer who has military retirement income or first responder retirement income, each year may deduct all military retirement income and first responder retirement income that is included in South Carolina taxable income.

(C) A surviving spouse receiving military retirement income or first responder retirement income that is attributable to the deceased spouse shall apply this deduction in the same manner that the deduction applied to the deceased spouse.

(D) The department may require the taxpayer to provide information necessary for proper administration of this section.

SECTION 2. Section 12‑6‑1140 of the S.C. Code is amended by adding:

(15) income received by a surviving spouse of a first responder as defined in Section 12‑6‑1172.

SECTION 3. Section 12‑6‑1170(C) of the S.C. Code is amended to read:

(C)(1) Notwithstanding any other provision of this section, if a taxpayer claims a deduction pursuant to Section 12‑6‑1171 or Section 12‑6‑1172, then the deduction allowed by this section must be reduced by the cumulative amount the taxpayer deducts pursuant to Section 12‑6‑1171 or Section 12‑6‑1172; however, this subsection does not apply if the deduction claimed pursuant to Section 12‑6‑1171 or Section 12‑6‑1172 is claimed by a surviving spouse.

(2) In the case of married taxpayers who file a joint federal income tax return, the reduction required by item (1) applies to each individual separately, so that the reduction only applies to the amount the individual claiming the deduction pursuant to Section 12‑6‑1171 or Section 12‑6‑1172 otherwise could have claimed pursuant to this section if the individual had not filed a joint return.

SECTION 4. Section 12‑37‑220(B)(1)(f)(iii) of the S.C. Code is amended to read:

(iii) “qualified surviving spouse” means the surviving spouse of an individual described in subsubitem (i) while remaining unmarried, who resides in the house, and who owns the house in fee or for life. Qualified surviving spouse also means the surviving spouse of a member of the Armed Forces of the United States who was killed in action, or the surviving spouse of a law enforcement officer, or firefighter, or emergency medical technician, who died in the line of duty as a law enforcement officer, or firefighter, or emergency medical technician, as these terms are further defined in Section 23‑23‑10, and Chapter 80, Title 40, and Section 44‑61‑20(12), if the surviving spouse remains unmarried, resides in the house, and has acquired ownership of the house in fee or for life;

SECTION 5. Section 12‑36‑2510 of the S.C. Code is amended by adding:

(D) The department shall issue an “Honor Card” to a qualified surviving spouse, as defined in Section 12‑37‑220, to allow the qualified surviving spouse to purchase all tangible personal property tax free. The department may promulgate regulations necessary to implement the provisions of this subsection.

SECTION 6. This act takes effect upon approval by the Governor.

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