**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4993**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. J. Moore, McDaniel, Williams, Henegan and Hosey

Document Path: LC-0490SA24.docx

Introduced in the House on January 31, 2024

Currently residing in the House Committee on **Ways and Means**

Summary: Childcare Advance Act

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/31/2024 House Introduced and read first time (House Journal‑page 12)

 1/31/2024 House Referred to Committee on **Ways and Means** (House Journal‑page 12)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4993&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[01/31/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/4993_20240131.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12-6-1230 SO AS TO PROVIDE FOR A CHILDCARE ADVANCE WHICH ENABLES TAXPAYERS TO DEFER PAYMENT OF A PORTION OF THEIR INCOME TAX.

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 12-6-1230. (A) As used in this section, “eligible childcare expenses” means expenses for the care of one or more dependents under the age of five years old.

 (B) The purpose of this section is to establish a childcare advance, which enables taxpayers to defer payment of a portion of their income tax liability.

 (C) After December 31, 2023, and before January 1, 2028, a taxpayer who is subject to taxation under this chapter and who incurs eligible childcare expenses during an income tax period may elect to defer payment of the taxpayer’s tax liability for that tax period by the amount of eligible childcare expenses, but not to exceed two thousand dollars.

 (D) Tax deferral requests must be submitted to the department with the timely filed tax return on a form prescribed by the department and include the following:

 (1) the taxpayer’s name and social security number;

 (2) the qualifying dependent’s social security number and birthdate;

 (3) the name, address, and social security number or employer identification number of the childcare provider; and

 (4) proof of childcare expenses incurred for the business tax period.

 (E) The department may conduct audits or require the filing of additional information necessary to substantiate or adjust the amount of the deferred tax liability allowed by this section and to determine that the taxpayer has complied with all statutory requirements for the deferral.

 (F) The department shall review the documentation submitted by the taxpayer and notify the taxpayer of the following:

 (1) the total amount of the taxpayer’s deferred liability;

 (2) the tax period in which repayment will begin; provided, that repayment of the deferral must begin no later than four years from the due date of the business tax return for which deferral was approved; and

 (3) an estimate of the amount for which the taxpayer will be liable each tax period once the eligibility for the deferral expires.

 (G) Repayment of tax liability must be divided into equal installments over a period not to exceed ten years. Notwithstanding another provision of law, interest and penalties do not apply to repayments under this section.

 (H) This section does not prevent a taxpayer from repaying accumulated liability earlier than the schedule set forth in subsection (G) or taking less than the total amount allowable under subsection (C) in a given tax period.

 (I) The department may provide for the repayment of deferrals under this section to be made through the automatic draft of payments from a bank account.

 (J) The department is authorized to promulgate regulations to carry out the provisions of this section.

SECTION 2. This act takes effect upon approval by the Governor and first applies to income tax years after 2023.

‑‑‑‑XX‑‑‑‑