**South Carolina General Assembly**

125th Session, 2023-2024

**A217, R242, S969**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Alexander, Peeler, Setzler, K. Johnson, Young, Malloy, Senn, Stephens, McLeod and Gustafson

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Introduced in the Senate on January 17, 2024

Introduced in the House on March 21, 2024

Last Amended on June 26, 2024

Currently residing in the Senate

Governor's Action: July 2, 2024, Signed

Summary: Income tax deductions

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/17/2024 Senate Introduced and read first time (Senate Journal‑page 4)

 1/17/2024 Senate Referred to Committee on **Finance** (Senate Journal‑page 4)

 2/28/2024 Senate Committee report: Favorable **Finance** (Senate Journal‑page 14)

 3/19/2024 Senate Read second time (Senate Journal‑page 15)

 3/19/2024 Senate Roll call Ayes-40 Nays-0 (Senate Journal‑page 15)

 3/20/2024 Senate Read third time and sent to House (Senate Journal‑page 11)

 3/21/2024 House Introduced and read first time (House Journal‑page 18)

 3/21/2024 House Referred to Committee on **Ways and Means** (House Journal‑page 18)

 4/25/2024 House Committee report: Favorable with amendment **Ways and Means** (House Journal‑page 20)

 4/30/2024 Scrivener's error corrected

 5/2/2024 House Debate adjourned until Tues., 5-7-24 (House Journal‑page 21)

 5/7/2024 House Amended (House Journal‑page 104)

 5/7/2024 House Read second time (House Journal‑page 104)

 5/7/2024 House Roll call Yeas-99 Nays-0 (House Journal‑page 107)

 5/8/2024 House Read third time and returned to Senate with amendments (House Journal‑page 298)

 5/9/2024 Senate Non-concurrence in House amendment (Senate Journal‑page 27)

 5/9/2024 House House insists upon amendment and conference committee appointed Reps. Dilliard, B Newton, Herbkersman (House Journal‑page 155)

 5/9/2024 Senate Conference committee appointed Davis, Turner, McElveen (Senate Journal‑page 28)

 6/26/2024 House Conference report received and adopted

 6/26/2024 House Roll call Yeas-107 Nays-0

 6/26/2024 Senate Conference report received and adopted (Senate Journal‑page 52)

 6/26/2024 Senate Roll call Ayes-42 Nays-0 (Senate Journal‑page 52)

 6/26/2024 Senate Ordered enrolled for ratification (Senate Journal‑page 57)

 6/27/2024 Ratified R 242

 7/2/2024 Signed By Governor

 7/17/2024 Effective date See Act for Effective Date

 7/17/2024 Act No. 217

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=969&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[01/17/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240117.docx)

[02/28/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240228.docx)

[04/25/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240425.docx)

[04/30/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240430.docx)

[05/07/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240507.docx)

[06/26/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240626.docx)

(A217, R242, S969)

AN ACT TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑6‑1140, RELATING TO DEDUCTIONS FROM INDIVIDUAL TAXABLE INCOME, SO AS TO INCREASE THE SUBSISTENCE DEDUCTION AMOUNT FOR CERTAIN PAID PUBLIC SERVANTS SUCH AS LAW ENFORCEMENT AND FIREFIGHTERS, AND TO INCREASE THE VOLUNTEER EXEMPTION AMOUNT FOR CERTAIN UNPAID PUBLIC SERVANTS SUCH AS LAW ENFORCEMENT AND FIREFIGHTERS; BY AMENDING SECTION 12-6-3800, RELATING TO THE TAX CREDIT FOR SERVING AS A PRECEPTOR, SO AS TO AMEND DEFINITIONS AND ELIGIBILITY REQUIREMENTS; BY AMENDING ACT 45 OF 2019, RELATING TO THE PRECEPTOR TAX CREDIT, SO AS TO EXTEND THE PRECEPTOR TAX CREDIT FOR FOUR ADDITIONAL YEARS; AND BY AMENDING SECTION 4‑37‑30, RELATING TO SALES AND USE TAXES OR TOLLS AS REVENUE FOR TRANSPORTATION FACILITIES, SO AS TO PROVIDE FOR CERTAIN EXEMPTIONS FOR UNPREPARED FOOD ITEMS.

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

Tax deduction

SECTION 1. Section 12‑6‑1140(6) of the S.C. Code is amended to read:

 (6) a subsistence allowance of sixteen dollars a day for federal, state, and local law enforcement officers paid by a political subdivision of this State, the government of this State, or the federal government, for each regular work day in a taxable year and full‑time firefighters and emergency medical service personnel may deduct as a subsistence allowance sixteen dollars a day for each regular work day in a taxable year;

**Tax deduction**

SECTION 2. Section 12‑6‑1140(10)(b) of the S.C. Code is amended to read:

 (b) An individual may receive only one deduction pursuant to this item. The Revenue and Fiscal Affairs Office annually shall estimate a maximum deduction that may be permitted under this section for a taxable year based on an individual income tax revenue loss of three million one hundred thousand dollars attributable to this deduction and shall certify that maximum deduction to the Department of Revenue and for the applicable taxable year, the maximum deduction amount must not exceed the lesser of the certified estimate or six thousand dollars.

Preceptor tax credit

SECTION 3.A. Section 12‑6‑3800(A), (B), and (C) of the S.C. Code is amended to read:

 (A) For the purposes of this section:

 (1) “Independent institution of higher learning” has the same meaning as provided in Section 59‑113‑50.

 (2) “Medical school‑required clinical rotation”, “physician assistant program‑required clinical rotation”, or “advanced practice nursing program‑required clinical rotation” means a clinical rotation for a public teaching institution or independent institution of higher learning that:

 (a) is established for a student who is enrolled in a South Carolina public teaching institution or an independent institution of higher learning, including:

 (i) medical school;

 (ii) a physician assistant program;

 (iii) an advanced practice nursing program; and

 (b) includes a minimum of one hundred sixty hours of instruction in one of the following clinical settings:

 (i) family medicine;

 (ii) internal medicine;

 (iii) pediatrics;

 (iv) obstetrics and gynecology;

 (v) emergency medicine;

 (vi) psychiatry;

 (vii) general surgery under the guidance of a physician, advanced practice registered nurse, or physician assistant; or

 (viii) specialty care including, but not limited to, dermatology, hematology, neurology, and oncology.

 (3) “Preceptor” means a physician, advanced practice nurse practitioner, or physician assistant who provides supervision and instruction during student clinical training experiences, is otherwise not compensated for doing so, and provides a minimum of two required clinical rotations within a calendar year.

 (B) There is allowed an income tax credit for each clinical rotation a physician serves as the preceptor for a medical school‑required clinical rotation, advanced practice nursing program‑required clinical rotation, and physician assistant program‑required clinical rotation. If the physician’s practice includes Medicaid insured or Medicare insured then the credit is equal to one thousand dollars for each rotation served, not to exceed four thousand dollars a year. The provider must be a Medicaid‑participating provider and have a minimum of at least one hundred Medicaid and Medicare patients combined or be a free clinic.

 (C) There is allowed an income tax credit for each clinical rotation an advanced practice registered nurse or physician assistant serves as the preceptor for an advanced practice nursing or physician assistant‑required clinical rotation. The credit is equal to one thousand dollars for each rotation served, not to exceed four thousand dollars a year. The provider must be a Medicaid‑participating provider and have a minimum of at least one hundred Medicaid and Medicare patients combined or be a free clinic.

B. SECTION 4 of Act 45 of 2019 is amended to read:

SECTION 4. This act takes effect upon approval by the Governor and shall apply to Tax Years 2020 through 2029. Section 12‑6‑3800 and Section 12‑6‑1140(14) are repealed January 1, 2030.

C. This SECTION takes effect upon approval by the Governor and applies to Tax Years beginning after 2024.

Taxable items

SECTION 4.A. Section 4‑37‑30(A)(9) of the S.C. Code is amended to read:

 (9) The tax authorized by this section is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in the applicable jurisdiction which are subject to the tax imposed by Chapter 36, Title 12 and the enforcement provisions of Chapter 54, Title 12. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36, Title 12 are exempt from the tax imposed by this section. The gross proceeds of the sale of food lawfully purchased with United States Department of Agriculture food stamps are exempt from the tax imposed by this section. For any tax authorized by this section pursuant to a referendum held on or after November 5, 2024, unprepared food items eligible for purchase with United States Department of Agriculture food coupons may be exempt from the tax imposed pursuant to this section at the election of the governing body of a county as may be provided in the authorizing ordinance required by item (1). The tax imposed by this section also applies to tangible personal property subject to the use tax in Article 13, Chapter 36, Title 12.

B.  This SECTION takes effect upon approval by the Governor.

Time effective

SECTION 5. This act takes effect upon approval by the Governor and applies to tax years beginning after 2023.

Ratified the 27th day of June, 2024.

Approved the 2nd day of July, 2024.

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