**South Carolina General Assembly**

126th Session, 2025-2026

**H. 4458**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Pace

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Introduced in the House on April 30, 2025

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

Summary: Income tax rates

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 4/30/2025 House Introduced and read first time (House Journal‑page 104)

 4/30/2025 House Referred to Committee on **Ways and Means** (House Journal‑page 104)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4458&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[04/30/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/4458_20250430.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12-6-510, RELATING TO THE INDIVIDUAL INCOME TAX, SO AS TO REDUCE THE TOP MARGINAL RATE TO FIVE PERCENT.

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

SECTION 1. Section 12-6-510(B) of the S.C. Code is amended to read:

 (B)(1) Notwithstanding subsection (A), for taxable years beginning after 20212024, a tax is imposed on the South Carolina taxable income of individuals, estates, and trusts and any other entity except those taxed or exempted from taxation under Sections 12-6-530 through 12-6-550 computed at the following rates with the income brackets indexed in accordance with Section 12-6-520:

|  |  |  |  |
| --- | --- | --- | --- |
| 23 | At Least | But less than | Compute the tax as follows |
| 24 | $0 | $3,2003,560 | 0% times the amount |
| 2526 | $3,2003,560 | $16,04017,830 | 3% times the amount minus $96107 |
| 2728 | $16,04017,830 | or more | 6%5% times the amount minus $577463 |

 (2) Notwithstanding the provisions of item (1), the reduction in the top marginal rate contained in this item, as compared to the same in subsection (A), must be phased-in as provided in item (3). Until the top marginal rate is fully phased-in, the bracket to which this reduced top marginal rate applies must be the same as the bracket for the top marginal rate provided in subsection (A). All reductions are permanent and cumulative. During the phase-in and after, the department shall continue to adjust the brackets as provided in Section 12-6-520. Other than the top marginal rate, no other component of this item is phased-in.

 (3) For Tax Year 2022, the top marginal rate shall equal 6.5%. Beginning with Tax Year 2023, and each year thereafter until the top marginal rate equals 6%, the top marginal rate must decrease by one-tenth of one percent if general fund revenues are projected to increase by at least five percent in the fiscal year that begins during the tax year. For purposes of this subsection, beginning with the

initial forecast required pursuant to Section 11-9-1130, the general fund revenues projection must be determined by the Revenue and Fiscal Affairs Office by comparing the current fiscal year's recurring general fund expenditure base with the Board of Economic Advisors' most recent projection of recurring general fund revenue for the upcoming fiscal year. Upon the issuance of the initial forecast, the Executive Director of the Revenue and Fiscal Affairs Office, or his designee, shall notify the Department of Revenue of the projected percentage adjustment. The executive director, or his designee, shall provide similar notice if subsequent modifications to the forecast change the projected percentage adjustment. However, the forecast in effect on February fifteenth of the current fiscal year is the final forecast for which the percentage adjustment is determined, and no subsequent forecast modifications may have any effect on that determination. For purposes of this section, “recurring general fund revenue” and “recurring general fund expenditure base” have the same meaning as provided in Section 6-27-30.

SECTION 2. This act takes effect upon approval by the Governor.

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