**South Carolina General Assembly**

126th Session, 2025-2026

**S. 64**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Hembree

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Introduced in the Senate on January 14, 2025

Currently residing in the Senate

Summary: Income Tax Deduction

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 12/11/2024 Senate Prefiled

 12/11/2024 Senate Referred to Committee on **Finance**

 1/14/2025 Senate Introduced and read first time (Senate Journal‑page 56)

 1/14/2025 Senate Referred to Committee on **Finance** (Senate Journal‑page 56)

 1/17/2025 Scrivener's error corrected

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**VERSIONS OF THIS BILL**

[12/11/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/64_20241211.docx)

[12/11/2024-A](https://www.scstatehouse.gov/sess126_2025-2026/prever/64_20241211a.docx)

[01/17/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/64_20250117.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12-6-1172 SO AS TO ALLOW A SOUTH CAROLINA INCOME TAX DEDUCTION OF ALL MILITARY RETIREMENT OR FIRST RESPONDER RETIREMENT INCOME; AND BY AMENDING SECTION 12-6-1170, RELATING TO RETIREMENT INCOME DEDUCTION FROM TAXABLE INCOME FOR INDIVIDUALS, SO AS TO MAKE A CONFORMING CHANGE.

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

SECTION 1. 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, 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 12‑6‑1170(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 3. This act takes effect upon approval by the Governor and first applies to tax years beginning after 2025.

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