Bill Number:	H. 3371 Introduced on January 14, 2025
Subject:	Admissions Tax Exemption
Requestor:	House Ways and Means
RFA Analyst(s):	Daigle
Impact Date:	March 30, 2026

Fiscal Impact Summary

This bill exempts admissions charged by business leagues or chambers of commerce organized as a 501(c)(6) under the Internal Revenue Code (IRC) from the 5 percent admissions tax.

This bill will result in a minimal expenditure impact for the Department of Revenue (DOR) to update forms, the department website, and perform system changes for the new exemption. DOR indicates that the changes can be administered with existing staff and appropriations.

The bill is expected to reduce General Fund admissions tax revenue beginning in FY 2026-27 and the amount of revenue transferred to the South Carolina Film Commission beginning in FY 2027-28. The Film Commission receives 26 percent of the prior year's General Fund admissions tax revenue. Because the transfer to the Film Commission is based on the prior year's collections, the impact on the transfer amount does not occur until FY 2027-28. The table below shows the impact for the next three fiscal years. For the purposes of this analysis, we have assumed that the admissions revenues from 501(c)(6) organizations that will be exempted under the bill are not associated with a major tourism or recreation facility subject to the transfers in Sections 12-21-6530 and 6540. If admissions from these organizations are currently subject to these transfers, the distribution of the impact would be affected.

Estimated Impact of Exempting 501(c)(6) Organizations from Admissions Tax

Fiscal Year	Estimated General Fund Admissions Tax Reduction	Estimated SC Film Commission Revenue Reduction	Estimated Total Impact
FY 2026-27	($65,000)		($65,000)
FY 2027-28	($50,000)	($17,000)	($67,000)
FY 2028-29	($56,000)	($13,000)	($69,000)

Explanation of Fiscal Impact

Introduced on January 14, 2025
State Expenditure
This bill exempts admissions charged by business leagues or chambers of commerce organized as a 501(c)(6) under the IRC from the admissions tax. Currently, a 5 percent tax is levied on admissions to places of amusement.

This bill will result in a minimal expenditure impact for the DOR to update forms, the department website, and perform system changes for the new exemption. DOR indicates that the changes can be administered with existing staff and appropriations.

State Revenue
This bill exempts admissions charged by business leagues or chambers of commerce organized as a 501(c)(6) under the IRC from the admissions tax. A 5 percent tax is currently levied on admission to places of amusement, subject to some exemptions.

Currently, admissions charged or sponsored by any eleemosynary and nonprofit corporation or organization organized exclusively for religious, charitable, scientific, civic, fraternal, or educational purposes are exempt from the admissions tax, depending upon how the proceeds generated from admissions are distributed and subject to some exclusions. Based on conversations with DOR, 501(c)(6) organizations do not currently qualify for an exemption from admissions tax.

Data regarding the amount of admissions tax generated by type of organization are unavailable. Therefore, in order to estimate the potential impact, Revenue and Fiscal Affairs used the portion of business activity attributable to 501(c)(6) organizations to estimate the percentage of admissions tax attributable to these entities. According to the Internal Revenue Service, there are currently 711 501(c)(6) organizations registered in South Carolina.[1] Overall in the U.S., 501(c)(6) organizations generated approximately $58.46 billion in revenue in tax year 2022.[2] In tax year 2022, U.S. charitable organizations classified as 501(c)(4)-(7) and (9) reported approximately $424 billion in revenue, U.S. corporations reported approximately $39.94 trillion in business receipts, and U.S. partnerships reported approximately $8.34 trillion in business receipts.[3,4,5] Based on these figures, the share of revenue generating activities by 501(c)(6) organizations in the U.S. is approximately 0.12 percent. For this analysis, we have assumed that the percentage of admissions tax generated by the 501(c)(6) charities is relatively the same as the share of overall revenue.

[1] Internal Revenue Service, *Exempt Organizations Business Master File Extract (EO BMF) South Carolina,* Retrieved March 23, 2026, https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf.
[2] Internal Revenue Service, *Table 3. Form 990 Returns of 501(c)(3)-(9) Organizations: Balance Sheet and Income Statement Items, by Internal Revenue Code Section, Tax Year 2022,* Retrieved March 25, 2026, https://www.irs.gov/statistics/soi-tax-stats-charities-and-other-tax-exempt-organizations-statistics.
[3] Internal Revenue Service, *Table 3. Form 990 Returns of 501(c)(3)-(9) Organizations: Balance Sheet and Income Statement Items, by Internal Revenue Code Section, Tax Year 2022,* Retrieved March 25, 2026, https://www.irs.gov/statistics/soi-tax-stats-charities-and-other-tax-exempt-organizations-statistics.
[4] Internal Revenue Service, *Returns of Active Corporations Table 5.1. Balance Sheet, Income Statement, Tax, and Selected Other Items, by Minor Industry, Tax Year 2022,* Retrieved March 25, 2026, https://www.irs.gov/statistics/soi-tax-stats-corporation-income-tax-returns-complete-report-publication-16.
[5] Internal Revenue Service, *All Partnerships: Total Assets, Trade or Business Income and Deductions, Portfolio Income, Rental Income, and Total Net Income (Loss) minus Deductions, by Industrial Group, Tax Year 2022,* Retrieved March 25, 2026, https://www.irs.gov/statistics/soi-tax-stats-partnership-statistics-by-sector-or-industry.

Section 12-62-60 states that 26 percent of the General Fund portion of admissions collections for the previous fiscal year must be allocated to the South Carolina Film Commission of the SC Department of Parks, Recreation and Tourism. The table below provides the estimated General Fund admissions tax based on the November 18, 2025, forecast by the S.C. Board of Economic Advisors (BEA). Based on these figures, the estimated amounts to be transferred to the SC Fillm Commission and total admissions tax revenue are also shown below. Multiplying the expected total admissions tax revenue by 0.12 percent for FY 2026-27, FY 2027-28, and FY 2028-29 yields approximately $65,000, $67,000, and $69,000, respectively that would be exempted under the bill.

Estimated Admissions Tax Revenue and Exemption

Fiscal Year	General Fund Admissions Tax	SC Fillm Commission Transfer	Total Admissions Tax	Estimated 501(c)(6) Exemption*
FY 2024-25	$39,965,358			
FY 2025-26 (est.)	$40,393,000	$10,390,993	$50,783,993	
FY 2026-27 (est.)	$43,304,000	$10,502,180	$53,806,180	$65,000
FY 2027-28 (est.)	$44,192,000	$11,259,040	$55,451,040	$67,000
FY 2028-29 (est.)	$45,656,000	$11,489,920	$57,145,920	$69,000

**Figures are rounded.*

The bill is effective upon approval by the Governor, and this analysis assumes it will affect collections beginning in FY 2026-27. Because the transfer to the Film Commission is based on the prior year's General Fund collections, the impact on the transfer amount does not occur until FY 2027-28. The table below shows the impact for the next three fiscal years. For the purposes of this analysis, we have assumed that the admissions revenues from 501(c)(6) organizations that will be exempted under the bill are not associated with a major tourism or recreation facility subject to the transfers in Sections 12-21-6530 and 6540. If admissions from these organizations are currently subject to these transfers, the distribution of the impact would be affected.

Estimated Impact of Exempting 501(c)(6) Organizations from Admissions Tax

Fiscal Year	General Fund Admissions Tax Reduction	SC Film Commission Revenue Reduction	Total Impact
FY 2026-27	($65,000)		($65,000)
FY 2027-28	($50,000)	($17,000)	($67,000)
FY 2028-29	($56,000)	($13,000)	($69,000)

Local Expenditure
N/A

Local Revenue
N/A

Frank A. Rainwater, Executive Director