



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 5488 Introduced on April 1, 2026
Subject: Textiles Revitalization
Requestor: House Ways and Means
RFA Analyst(s): Jolliff
Impact Date: April 13, 2026

Fiscal Impact Summary

This bill amends the South Carolina Textiles Communities Revitalization Act tax credit to specify that in order for expenses to qualify for the credit, the requirement to renovate or demolish the textile mill and buildings in a Notice of Intent to Rehabilitate applies independently to each notice without regard to the status of any parcel or building not in the notice. The Act allows taxpayers to claim a credit against local real property taxes or state income tax, corporate license fees, insurance premium taxes, or bank taxes for expenses incurred to rehabilitate a textile mill site. This bill would allow a taxpayer that owns a contiguous parcel that qualifies for the credit to claim the credit before the textile mill has been rehabilitated if the parcel on which the textile mill sits is owned by a different, unaffiliated taxpayer. If the parcels are owned by the same or an affiliated taxpayer, then the textile mill and buildings on the mill site must be either renovated or demolished in order for the expenses related to a contiguous parcel to qualify for the credit.

This bill will not impact expenditures for the Department of Revenue (DOR) as the changes to forms and guidance can be completed with existing staff and resources.

The bill is not expected to impact state or local revenues overall but may change the timing of when the credit is claimed. Based on discussions with DOR, although this bill would allow a taxpayer to claim a credit for qualifying expenses before the unaffiliated taxpayer completes the demolition or renovation of the textile mill site, it does not change the amount of the credit or which properties qualify. Therefore, the total amount of credits and resulting revenue impact is not expected to change even though the timing of the impact may be different.

Explanation of Fiscal Impact

Introduced on April 1, 2026

State Expenditure

This bill amends the South Carolina Textiles Communities Revitalization Act tax credit to specify that in order for expenses to qualify for the credit, the requirement to renovate or demolish the textile mill and buildings in a Notice of Intent to Rehabilitate applies independently to each notice without regard to the status of any parcel or building not in the notice. This bill would allow a taxpayer that owns a contiguous parcel that qualifies for the credit to claim the credit before the textile mill has been rehabilitated if the parcel on which the textile mill sits is

owned by a different, unaffiliated taxpayer. If the parcels are owned by the same or an affiliated taxpayer, then the textile mill and building on the mill site must be either renovated or demolished in order for the expenses related to a contiguous parcel to qualify for the credit.

This bill will not impact expenditures for DOR as the changes to forms and guidance can be completed with existing staff and resources.

State Revenue

This bill amends the South Carolina Textiles Communities Revitalization Act tax credit to specify that in order for expenses to qualify for the credit, the requirement to renovate or demolish the textile mill and buildings in a Notice of Intent to Rehabilitate applies independently to each notice without regard to the status of any parcel or building not in the notice. The Act allows taxpayers to claim a credit against local real property taxes or state income tax, corporate license fees, insurance premium taxes, or bank taxes for qualifying expenses incurred to rehabilitate a textile mill site.

Currently, DOR has provided guidance which specifies that in order to qualify for the credit, each owner of a subparcel must renovate or demolish all buildings which were on the original textile mill site, and each taxpayer's eligibility for the credit is dependent on the compliance by all owners of the subparcels with the requirement to renovate or demolish the textile mill and all buildings on the mill site. ¹ This bill would allow a taxpayer that owns a contiguous parcel that qualifies for the credit to claim the credit before the textile mill has been rehabilitated if the parcel on which the textile mill sits is owned by a different, unaffiliated taxpayer. If the parcels are owned by the same or an affiliated taxpayer, then the textile mill and buildings on the mill site must be either renovated or demolished in order for the expenses related to a contiguous parcel to qualify for the credit.

Based on discussions with DOR, this bill would allow a taxpayer to claim a credit for qualifying expenses before the unaffiliated taxpayer completes the demolition or renovation of the textile mill site, but it does not change the amount of the credit or which properties qualify. Therefore, the bill is not expected to change the amount of credits or impact state and local revenues overall although the timing of when the credits are claimed may change.

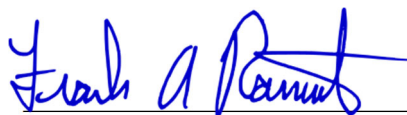
Local Expenditure

N/A

Local Revenue

N/A

¹ Department of Revenue, SC Revenue Ruling #25-1, South Carolina Textiles Communities revitalization Act (income and Property Taxes); Retrieved April 9, 2026, <https://dor.sc.gov/income-tax-property-tax-south-carolina-textiles-communities-revitalization-act>



Frank A. Rainwater, Executive Director