



# 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.*

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<b>Bill Number:</b>	S.0032	Amended by the Senate on April 1, 2025
<b>Subject:</b>	Pregnancy Care Tax Credit	
<b>Requestor:</b>	House Ways and Means	
<b>RFA Analyst(s):</b>	Jolliff	
<b>Impact Date:</b>	March 31, 2026	

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### Fiscal Impact Summary

This bill as amended creates an income tax credit for taxpayers who make cash contributions to eligible charitable organizations that are a pregnancy resource center, a crisis pregnancy center, maternity home, or residential program for human trafficking victims. The amount of the tax credit that can be claimed by a taxpayer is limited to 50 percent of the taxpayer's total tax liability for the tax year. Further, the bill limits the aggregate amount of the tax credit allocated in a calendar year to \$3,500,000. The bill also allows unused tax credits to be carried forward for five consecutive years from the close of the tax year in which the credits are earned. The credit is repealed on December 31, 2030, except that any credits earned before the repeal may be claimed for the allowable carryforward period. The bill takes effect upon approval by the Governor and first applies to tax year 2025.

The bill requires each eligible charitable organization to provide the Department of Revenue (DOR) with a written certification confirming that it meets all eligibility criteria. Additionally, DOR is required to compile a list of eligible charitable organizations and make the list publicly available. The bill will have a minimal expenditure impact on DOR to administer, which can be accomplished with existing staff and resources.

The bill will reduce General Fund individual and corporate income tax revenue by a total of up to \$3,500,000 beginning in FY 2026-27 and annually thereafter until FY 2030-31, after which the credit is repealed. However, the timing of the revenue impact may be affected because taxpayers may carry forward the credits for five tax years.

### Explanation of Fiscal Impact

#### Amended by the Senate on April 1, 2025

#### State Expenditure

This bill creates an income tax credit for taxpayers who make cash contributions to 501(c)(3) charities that are a pregnancy resource center, a crisis pregnancy center, maternity home, or residential program for human trafficking victims. The bill limits the aggregate amount of the tax credit allocated in a calendar year to \$3,500,000. Additionally, the bill specifies that no more than 25 percent of the aggregate amount of tax credits may be allocated to a single charitable organization. However, any credits not allocated before June 1, 2026, may be allocated without regard to the 25 percent limit in the same calendar year.

The bill requires each eligible charitable organization to provide DOR with a written certification confirming that it meets all eligibility criteria. In order to be recertified, the eligible charitable organization must provide the department with the number and total amount of voluntary cash contributions in the previous tax year as well as a copy of a compilation, review, or compliance audit of the organization's financial statements relating to the grants received, conducted by a certified public accounting firm. Additionally, DOR is required to compile a list of eligible charitable organizations and make the list publicly available.

The bill will have a minimal expenditure impact on DOR as the agency will be able to develop forms and guidance for this tax credit as well as manage the additional requirements with existing staff and resources.

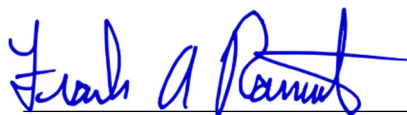
### **State Revenue**

This bill creates an income tax credit for taxpayers who make cash contributions to 501(c)(3) charities that are a pregnancy resource center, a crisis pregnancy center, maternity home, or residential program for human trafficking victims. The amount of the tax credit that can be claimed by a taxpayer is equal to the dollar contributions to the charitable organizations and is limited to 50 percent of the taxpayer's total tax liability for the tax year. Further, the bill limits the aggregate amount of the tax credit allocated in a calendar year to \$3,500,000. Additionally, the bill specifies that no more than 25 percent of the aggregate amount of tax credits may be allocated to a single charitable organization, with the exception of credits that are not allocated before June 1, 2026, which are allowed to be allocated without regard to the 25 percent restriction in the same calendar year. The bill also allows unused tax credits to be carried forward for five consecutive years from the close of the tax year in which the credits are earned. The credit is repealed on December 31, 2030, except that any credits earned before the repeal may be claimed for the allowable carryforward period. The bill takes effect upon approval by the Governor and first applies to tax year 2025.

Based upon filings with the Secretary of State of non-profit charitable organizations that self-identify as a pregnancy resource center, a crisis pregnancy center, maternity home, or residential program for human trafficking victims, there were approximately 30 such organizations headquartered in the state. Annual reported contributions totaled approximately \$14,743,000 based on filings from either 2022 or 2023. Also, there were 14 additional potentially qualifying charitable organizations headquartered out of state that may also receive contributions from SC taxpayers. Based on these data, we expect the contributions eligible for the new tax credit may reach the annual cap of \$3,500,000. Therefore, the bill will reduce General Fund revenue from individual and corporate income taxes by up to \$3,500,000 beginning in FY 2026-27 and annually thereafter until FY 2030-31, after which the credit is repealed. However, taxpayers may carry forward the credit for five years, which may affect the timing of the revenue impact.

### **Local Expenditure and Local Revenue**

N/A



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