



Source: Department of Revenue SC individual income tax federal and state return sample; Inflated to return population by RFA

- South Carolina conforms to the federal tax code and allows taxpayers to utilize the standard or itemized deductions and personal exemptions allowed by federal tax law. Federal adjusted gross income is reduced by these items to determine federal taxable income, the starting point for determining state taxable income.
- South Carolina taxable income is further reduced by additional deductions from federal taxable income. The largest of these are the exclusion for 44% of long-term capital gains, the exclusion for Social Security income taxed at the federal level, retirement income, income for individuals age 65 or older, and the additional personal exemption for dependents under age 6.

