



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S.0943	Introduced on January 14, 2020
Author:	Senn	
Subject:	Female Health and Wellness Act	
Requestor:	Senate Finance	
RFA Analyst(s):	R. Martin	
Impact Date:	February 20, 2020	

Fiscal Impact Summary

This bill would reduce state sales and use tax by an estimated \$14,994,880 in FY2020-21. Of this amount, General Fund sales and use tax would be reduced by \$9,996,586, the Educational Improvement Act would be reduced by \$2,499,147, and the Homestead Exemption Fund would be reduced by \$2,499,147 in FY2020-21. In addition, local sales and use taxes would be reduced by an estimated \$3,573,780 in FY2020-21. Collectively, this bill would reduce total state and local sales and use tax revenue by an estimated \$18,568,660 in FY2020-21.

Explanation of Fiscal Impact

Introduced on January 14, 2020

State Expenditure

The Department of Revenue indicates that there will be no expenditure impact to the General Fund, Federal Funds, or Other Funds from this bill. The Department can administer the legislative changes with existing resources.

State Revenue

Section 1. This act may be cited as the “Female Health and Wellness Act”.

Section 2. This bill would add Chapter 139 to Title 44 to allow a state and local sales and use tax exemption on the purchase of feminine hygiene products in South Carolina. This bill defines “feminine hygiene products” as tampons, sanitary napkins, and other similar personal care items for use in connection with menstrual cycles. If a broader definition is used, then our analysis would be affected.

The table below lists the most common feminine hygiene products. These products range from tampons and pads to sprays, creams, and pain relief medication. All of these products are purchased over-the-counter and do not require a prescription and are currently subject to state and local sales and use tax. Based upon a survey of local drug stores and discount retailers, the average woman spends over \$197 annually on feminine hygiene products.

Annual Expenditures for Feminine Hygiene Products

Item	Unit Cost	Annual Cost
Disposable Tampons	\$9.99	\$52.12
Disposable Pads	\$9.99	\$47.95
PMS Relief (Midol)	\$5.19	\$62.28
FDS Deodorant Spray	\$4.79	\$19.16
Feminine Itching (Vagisil)	\$4.99	\$15.96
Total Annual Expenditures		\$197.47

Note: Survey conducted during the week of December 30, 2019.

Source: Board of Economic Advisors

According to the latest data from the U.S. Department of Commerce, Bureau of the Census, there are an estimated 1,265,583 females between the ages of 13 to 51 years of age in South Carolina. Multiplying 1,265,583 females by an annual average expenditure of \$197.47 on feminine hygiene products yields total sales of feminine hygiene products of an estimated \$249,914,675 annually. Further multiplying annual sales of feminine hygiene products by a state sales and use tax rate of six percent yields a reduction in state sales and use tax of an estimated \$14,994,880 in FY2020-21. Of this amount, General Fund sales and use tax would be reduced by \$9,996,586, the Educational Improvement Act would be reduced by \$2,499,147, and the Homestead Exemption Fund would be reduced by \$2,499,147 in FY2020-21.

Section 3. This act takes effect July 1, 2020.

Local Expenditure

N/A

Local Revenue

In addition, local sales and use taxes in South Carolina average an additional 1.43 percent in revenue. This bill, therefore, would reduce local sales and use taxes by an estimated \$3,573,780 in FY2020-21. Collectively, the proposed sales and use tax exemption would reduce total state and local sales and use tax revenue by an estimated \$18,568,660 in FY2020-21.



Frank A. Rainwater, Executive Director