



STATUTORY PROVISIONS AFFECTING GENERAL FUND REVENUE - "TAX SAVINGS"
Current Estimated Value of Credits, Deductions, and Exemptions
(Millions of Dollars)

	Code Section	Year Enacted	FY 2023-24
SALES TAX			
<i>Credits</i>			
Uncollected Sales	12-36-90(2)(h)	1999	\$13.6
<i>Deductions / Exemptions</i>			
Exemptions - Original 1951		1951	\$1,149.2
Exemptions - Enacted from 1952 to 1989		<1990	\$739.4
Supplies and equipment to motion picture	12-36-2120(43)	1991	\$0.2
Electricity used to irrigate crops	12-36-2120(44)	1991	\$0.4
Building materials for construction of housing poultry or livestock	12-36-2120(45)	1991	\$4.8
Postage paid by business engaged in advertising services	12-36-2120(49)	1994	\$0.8
Recycling property	12-36-2120(50)	1995	\$2.3
Material handling systems	12-36-2120(51)	1996	\$17.1
Parts and supplies for repairing aircraft	12-36-2120(52)	1996	\$1.1
Motor vehicle warranty contracts	12-36-2120(53)	1996	\$20.4
Machines used in research and development	12-36-2120(56)	2000	\$7.0
Sales Tax Holiday - Back to School (Aug)	12-36-2120(57)	2000	\$1.2
Direct mailing promotional advertising	12-36-2120(58)	2000	\$0.2
Portable toilets (70% of sale)	12-36-2120(62)	2003	\$0.7
Prescription medicines sold to charitable clinics	12-36-2120(63)	2005	\$0.2
Sweet grass baskets	12-36-2120(64)	2005	\$0.2
Construction materials of manf/dist over \$100 million	12-36-2120(67)	2006	\$36.7
Gold, silver, or platinum bullion	12-36-2120(70)	2007	\$1.6
Building materials or machinery in research districts	12-36-2120(72)	2007	\$1.1
Amusement part rides parts and machinery	12-36-2120(73)	2007	\$19.7
Unprepared foods	12-36-2120(75)	2007	\$470.8
Machinery and equipment used for natural disaster testing	12-36-2120(78)	2010	\$0.2
Computers and equipment used in datacenters	12-36-2120(79)	2012	n/a

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Injectable medications and biologics	12-36-2120(80)	2012	\$1.8
Building materials for nonprofit entities building homes	12-36-2120(81)	2015	\$0.7
Feminine hygiene products	12-36-2120(84)	2024	\$4.5
State Ports Authority designated a distribution facility	12-36-2140	2019	n/a
One percent exemption for over 85	12-36-2620(2)	1990	\$0.0
Prescription medicines for respiratory syncytial virus	Proviso 117.54	2005	n/a
Viscosupplementation therapies sales	Proviso 117.58	2006	\$0.3
Material handling and construction materials on agribusiness facilities	Proviso 117.141	2022	\$1.5
Medicine for ophthalmologic diseases	Proviso 117.184	2023	\$0.1

Note: exemptions under \$100,000 are not listed

Sales Tax - Total

\$2,497.7

INCOME TAX

Credits

Abandoned Building Revitalization	12-67-140	2013	\$22.9
Accelerated Small Business Jobs	12-6-3362	2006	\$1.6
Agribusiness	12-6-3378	2018	\$0.2
Hybrid, Alternative Motor Vehicle	12-6-3377	2006	\$0.2
Angel Investors / High Growth Business	11-44-40	2013	\$5.1
Apprenticeship credit	12-6-3477	2007	\$1.1
Brownfields Cleanup	12-6-3550	2002	\$0.6
Certified Historic Structure Rehabilitation	12-6-3535	2002	\$18.8
Child and Dependent Care	12-6-3380	<1990	\$24.0
Child Care Program For Employees	12-6-3440	1995	\$0.1
Classroom Teacher expenses	Proviso 1A.9, FY 2024-25	2014	\$5.4
Clean Energy Incentive	12-6-3588	2014	\$0.3

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Conservation Contributions	12-6-3515	2000	\$5.5
Corporate Headquarters	12-6-3410	<1990	\$0.9
Earned Income Credit	12-6-3632	2017	\$22.4
Economic Impact Zone Community Dev investments	12-14-60	1995	\$67.8
Property & Casualty - excess premium	12-6-3670	2007	\$2.7
Energy Efficient Manufactured Home	48-52-870	2009	\$0.1
Exceptional Needs Childrens' Fund	12-6-3790	2015	\$10.8
Family Independence	12-6-3470	<1990	n/a
Formerly Incarcerated Apprenticeship	12-6-3710	2022	\$0.3
Film Commission rebate	12-62-50	2004	\$10.0
Hydropower or Geothermal Machinery	12-6-3587	2006	\$19.8
Industry Partnership Fund Contribution	12-6-3585	2006	\$9.5
Infrastructure	12-6-3420	1995	n/a
Infrastructure Projects	12-20-105	1995	\$7.3
Job Development	12-10-80	1995	\$68.3
Job Retraining	12-10-95	2001	\$1.4
Milk Producer	12-6-3590	2005	\$1.5
Minority (Social/Economic Disadvantaged) Business Contracts	12-6-3350	1995	\$0.2
New Jobs	12-6-3360	<1990	\$137.1
Preceptor Credit	12-6-3800	2018	\$0.1
Recycling Facility	12-6-3465	1995	n/a
Redevelopment Authority (Aiken-Barnwell) (exp1/1/37)	12-10-88	1996	\$10.7
Renewable Energy (Drip/Trickle Irrigation)	12-6-3340	1995	n/a
Renewable Fuel Facility	12-6-3610	2006	n/a
Research and Development Expense credit	12-6-3415	2000	\$80.3
Residential Retrofit - Excess Premiums	12-6-3660	2007	\$0.8
Retirement Plan Contribution (Qualified)	12-6-3500	1998	\$0.3
Scenic Rivers	49-29-100	1989	n/a
Shareholder of S-Corp Banks	12-6-590	<1990	\$0.7

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Solar Energy (previously 12-6-3770)	12-6-3775	2016	\$3.4
South Carolina Housing	12-6-3795	2020	\$44.6
State Port Cargo	12-6-3375	2013	\$0.4
Textile Revitalization	12-65-30	2008	\$37.4
Tuition	12-6-3385	1998	\$5.8
Two Wage Earner	12-6-3330	<1990	\$82.3
Veteran Apprenticeship	12-6-3720	2022	\$0.7
Venture Capital Investments	11-45-55	<1990	\$0.2
 <i>Deductions / Exemptions</i>			
Active Trade or Business - 3% top rate	12-6-545	2005	\$369.5
Capital Gains - 44% net deduction	12-6-1140(1)	1995	\$365.3
Dependent deduction	12-6-1140(13)	2018	\$356.0
Dependents under the age of 6 deduction	12-6-1140(2)	<1990	\$82.2
Disability income deduction	12-6-1140(4)	<1990	\$9.1
Moratorium on Corporate Income Tax	12-6-3367	2006	n/a
National Guard, Reserve income	12-6-1120(7)	<1990	\$4.6
Preceptor Program deduction	12-6-1140(14)	2018	n/a
Retirement Income - age 65 and over exemption	12-6-1170(B)	<1990	\$200.6
Retirement Income - deduction	12-6-1170(A)	<1990	\$127.8
Retirement Income - military exemption	12-6-1171	2016	\$79.5
Retirement Income - Social Security, Railroad exempt	12-6-1120(4)	<1990	\$489.8
SC College Investment Programs contributions	12-6-1140(11),(12)	1997	\$20.9
Single Sales Factor Apportionment of Income	12-6-2320(3)	1999	n/a
Subsistence allowance for law enforcement, fire, EMS	12-6-1140(6)	<1990	\$1.6
Volunteer deduction	12-6-1140(10)	1998	\$1.1
 <i>Rate Adjustments / Repeal</i>			
Indexation of Individual Income Tax Brackets - since 1995	12-6-50 (17)	<1990	\$231.6

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Tax Rate Adjustment - 0%, 3% and 6% rates (Individual)	12-6-510	2022	\$789.5
Tax Rate Adjustment - eliminate 2.5% bracket (Individual)	12-6-515	2007	\$144.2
Tax Rate Adjustment - reduce rate 6% to 5% (Corporate)	12-6-530	<1990	\$258.6
Estate & Gift tax adjustment and repeal	12-16-720	<1990	\$186.9
Income Tax - Total			\$4,432.4
OTHER TAXES			
<i>Credits</i>			
Insurance Tax - Coastal Premium credit	38-7-200	2007	\$0.3
Insurance Tax - Life and Health Guaranty credit	38-29-160	<1990	\$5.5
Insurance Tax - Health Insurance Pool credit	38-74-80	1989	\$0.0
<i>Deductions / Exemptions</i>			
Admissions - Darlington Raceway	118.7	2012	\$0.1
Deed Recording Fee - Distributee exemption	12-24-10(B)	2006	\$22.5
<i>Repeal</i>			
Motor Vehicle Inspection - Repeal	56-1-5350	1994	\$2.4
Soft Drinks Tax - Phase out/Repeal	12-21-1710	1996	\$30.9
Other Taxes - Total			\$61.8

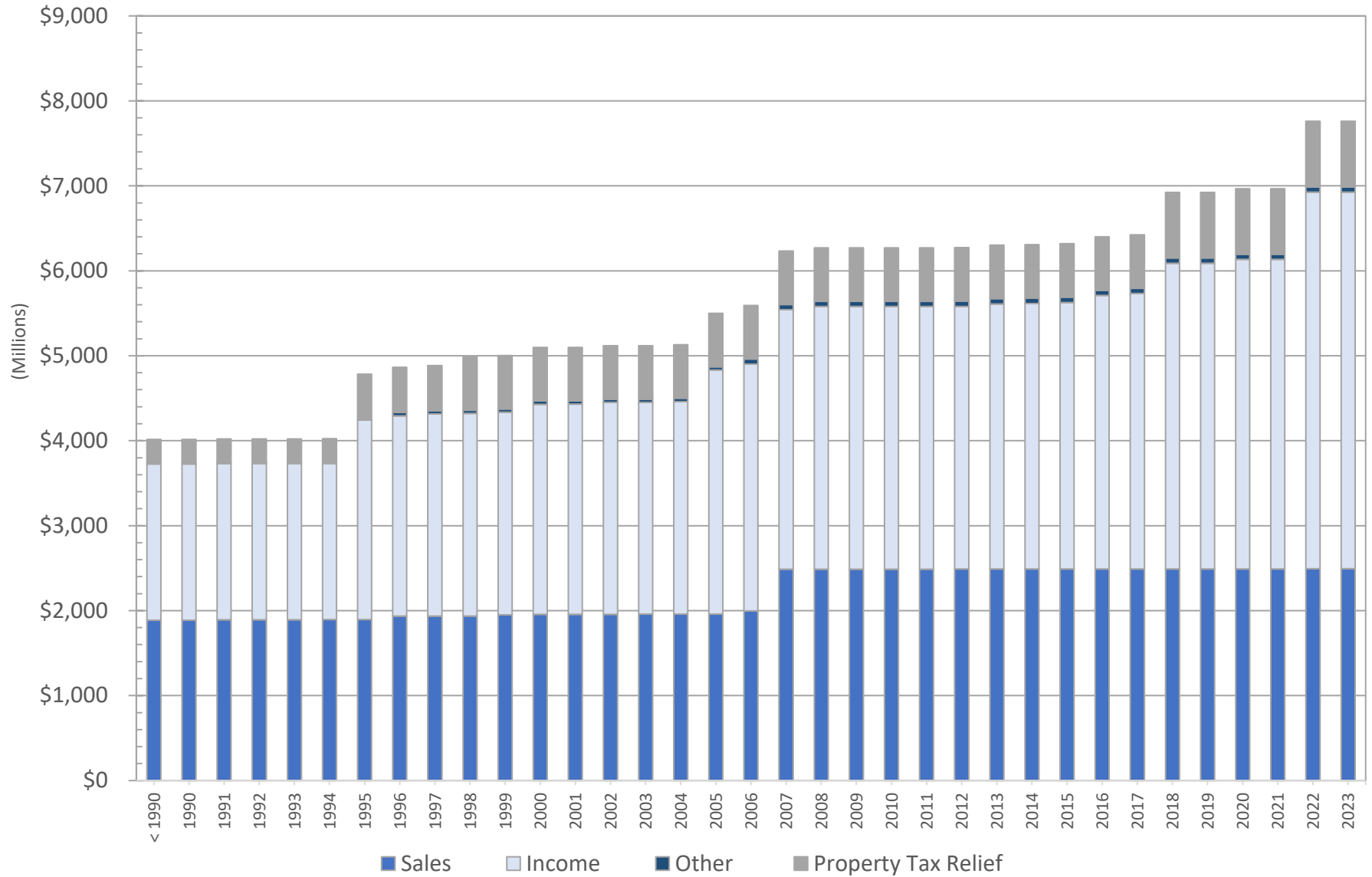
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PROPERTY TAXES			
<i>Credits</i>			
None			
<i>Deductions / Exemptions</i>			
Homestead Exemption - Seniors 65+	12-37-250	1972	\$242.0
Homeowners Exemption - \$100,000 Residence	12-37-251	1995	\$249.1
Manufacturers Depreciation	12-37-935	1998	\$97.4
Manufacturers Value Exemption	12-37-220(B)(52)	2018	\$143.0
Merchants' Inventory	12-37-450	<1990	\$40.6
Owner-Occupied Exemption (TIER III) General Fund Supplement	12-37-220(B)(47)(a)	2008	\$0.0
Property Tax - Total			\$772.1
SUMMARY			
Sales Tax - Total			\$2,497.7
Income Tax - Total			\$4,432.4
Other Taxes - Total			\$61.8
Property Tax - Total			\$772.1
GRAND TOTAL			\$7,763.9

Note: n/a - estimate not available

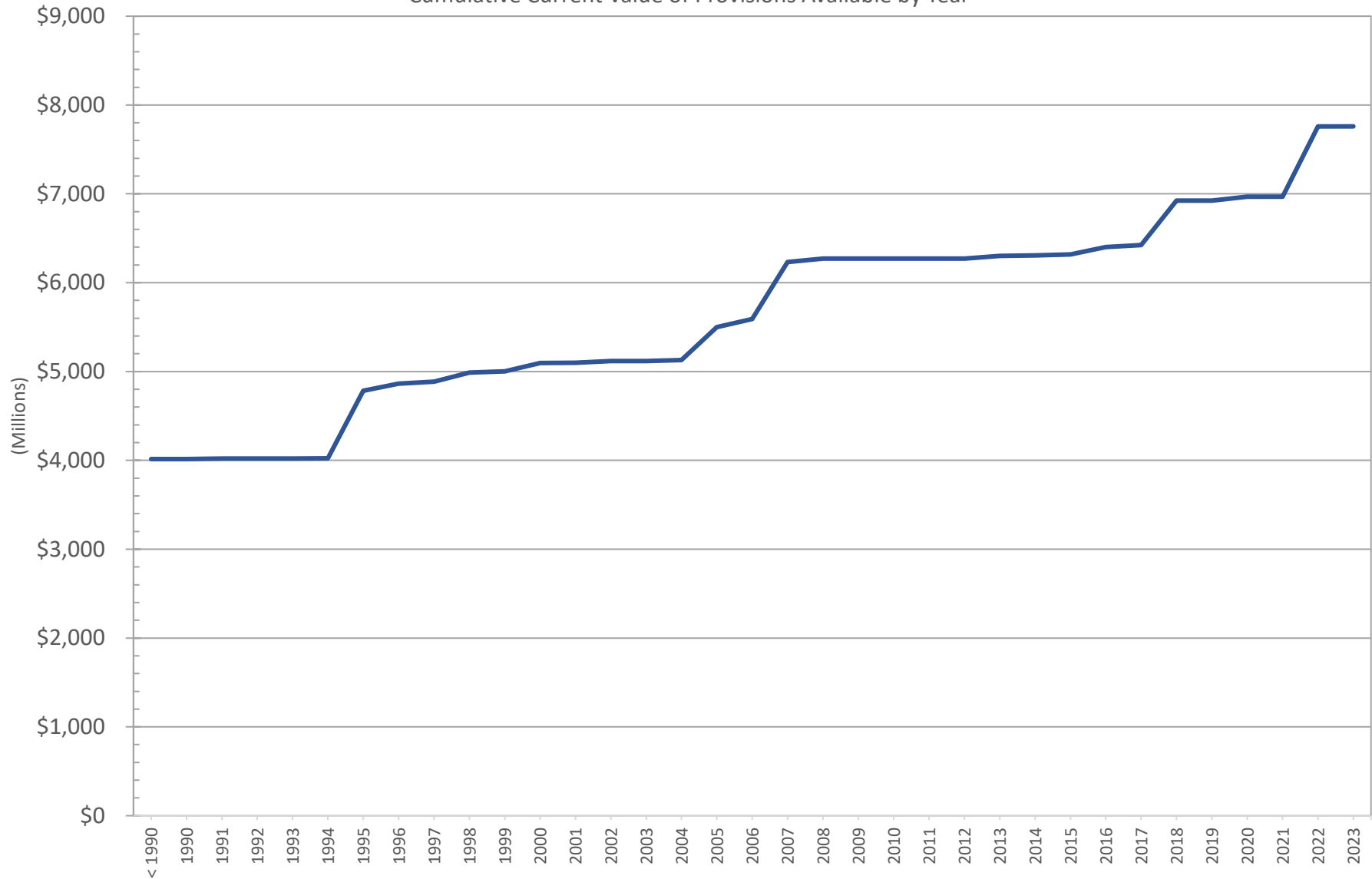
ESTIMATED FY 2023-24 VALUE OF LEGISLATIVE ENACTMENTS AFFECTING GENERAL FUND REVENUE - "TAX SAVINGS"

Cumulative Current Value of Provisions Available by Year and Tax Category



ESTIMATED FY 2023-24 VALUE OF LEGISLATIVE ENACTMENTS AFFECTING GENERAL FUND REVENUE - "TAX SAVINGS"

Cumulative Current Value of Provisions Available by Year



STATUTORY PROVISIONS AFFECTING GENERAL FUND REVENUE - "TAX SAVINGS"

Notes and References

This report provides an estimate of the value of listed exemptions, credits, deductions, and other items reducing state General Fund revenue. If there is insufficient data available to make an estimate, a label of "n/a" is given. The un-estimated items may result in tax categories being understated as to the true total effect of these items on the General Fund.

The estimates are based on current economic activity and tax law provisions. Please be aware that these estimates may not represent the fiscal impact estimate. Estimating the impact of altering a provision will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts. Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

The sales tax exemption estimates are based on the state 4 percent General Fund sales tax rate. The amounts shown include an estimate for the portion of the tax that is considered collectible. If certain exemptions were repealed, the tax would still not be collectible due to other considerations. For more information about sales tax exemptions and estimates, please see the Sales and Use Tax Exemption Report available here: <https://rfa.sc.gov/programs-services/fiscal-analysis/economic-analyses> .

Please note, the Sales and Use Tax Exemption Report is based on the 6 percent total state sales tax rate, whereas the estimates in this report are based on the 4 percent General Fund rate.

The income tax credit estimates are limited to information available for disclosure. Any tax credits administered by the Department of Revenue with fewer than 5 returns claiming the credit or that are not disclosed in the most recent annual report published by the Department of Revenue are not disclosed in this report. For more information about income tax credits and deductions, please see the Tax Expenditure Report available here: <https://rfa.sc.gov/TER> .

Charts (page 7 and 8): These charts provide the cumulative total current value as of FY 2023-24 of "tax savings" provisions affecting General Fund revenue that were available to taxpayers in each year. For example, the chart shows the current value of provisions enacted prior to 1990 is approximately \$4.0 billion. The current value of tax savings provisions that were in effect in 2000 is \$5.1 billion. The provisions enacted between 1990 and 2000 provide an additional \$1.1 billion in tax savings to taxpayers in FY 2023-24.