**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4810**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Bannister and G.M. Smith

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Introduced in the House on January 10, 2024

Introduced in the Senate on January 31, 2024

Currently residing in the Senate Committee on **Finance**

Summary: Sales tax exemption

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/10/2024 House Introduced and read first time ([House Journal‑page 35](h:\hj\20240110.docx))

1/10/2024 House Referred to Committee on **Ways and Means** ([House Journal‑page 35](h:\hj\20240110.docx))

1/25/2024 House Committee report: Favorable **Ways and Means** ([House Journal‑page 9](h:\hj\20240125.docx))

1/30/2024 House Read second time ([House Journal‑page 34](h:\hj\20240130.docx))

1/30/2024 House Roll call Yeas-108 Nays-0 ([House Journal‑page 34](h:\hj\20240130.docx))

1/31/2024 House Read third time and sent to Senate ([House Journal‑page 24](h:\hj\20240131.docx))

1/31/2024 Senate Introduced and read first time ([Senate Journal‑page 7](h:\sj\20240131.docx))

1/31/2024 Senate Referred to Committee on **Finance** ([Senate Journal‑page 7](h:\sj\20240131.docx))

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**VERSIONS OF THIS BILL**

[01/10/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/4810_20240110.docx)

[01/25/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/4810_20240125.docx)

Committee Report

January 25, 2024

H. 4810

Introduced by Reps. Bannister and G. M. Smith

S. Printed 01/25/24--H.

Read the first time January 10, 2024

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The committee on House Ways and Means

To whom was referred a Bill (H. 4810) to amend the South Carolina Code of Laws by amending Section 12‑36‑2120, relating to sales tax exemptions, so as to provide for a sales tax exemption for certain, etc., respectfully

Report:

That they have duly and carefully considered the same, and recommend that the same do pass:

BRUCE BANNISTER for Committee.

statement of estimated fiscal impact

Explanation of Fiscal Impact

State Expenditure

This bill exempts from sales tax, clothing required by current good manufacturing practices pursuant to 21 C.F.R. Section 111.10 which covers the requirements that apply for preventing microbial contamination from sick or infected personnel and for hygienic practices. The bill specifies that the exemption is applicable for clothing to prevent health hazards for persons who work in direct contact with food, food contact services, and food packaging materials at perishable prepared food manufacturing facilities, which are defined by NAICS code 311991.

Currently, clothing required by current good manufacturing practices to prevent health hazards for persons who work in direct contact with food, food contact services, and food packaging materials at perishable prepared food manufacturing facilities which are defined by the NAICS code 311991 are exempt from sales tax pursuant to Proviso 109.12 of the FY 2023-24 Appropriations Act. Proviso 109.12 was vetoed by the governor on June 20, 2023, and has not been addressed; however, previous vetoes have been overridden, most recently on June 28, 2022. Therefore, the most recent General Fund revenue estimates developed by the Board of Economic Advisors (BEA) reflect the exemption of clothing required by current good manufacturing practices to prevent health hazards for persons who work at prepared food manufacturing facilities, defined as NAICS code 311991.

This bill codifies existing Proviso 109.12, therefore, the Department of Revenue and Fiscal Affairs (RFA) anticipates no state expenditure impact.

State Revenue

This bill will have no state revenue impact. The exempt sales outlined by this bill are already exempt under Proviso 109.12 of the FY 2023-24 Appropriations Act, and therefore, are already considered in the BEA General Fund revenue estimate. Although the proviso was vetoed by the Governor and has not been addressed, the proviso has been included in the budget in recent years, and the vetoes have previously been overridden. As such, the sale tax revenue impact is already included in the revenue estimates.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑36‑2120, RELATING TO SALES TAX EXEMPTIONS, SO AS TO PROVIDE FOR A SALES TAX EXEMPTION FOR CERTAIN CLOTHING REQUIRED FOR USE IN PERISHABLE PREPARED FOOD MANUFACTURING FACILITIES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12‑36‑2120 of the S.C. Code is amended by adding:

(84) clothing required by current good manufacturing practices pursuant to 21 C.F.R. Section 111.10 at perishable prepared food manufacturing facilities defined by the North American Industry Classification System 311991 to prevent health hazards, including outer garments, gloves of an impermeable material, hairnets, headbands, beard covers, caps, hair covers or other effective hair restraints, and other attire required pursuant to 21 C.F.R. Section 110.10 for persons working in direct contact with food, food contact services, and food packaging materials to protect against contamination of food in perishable prepared food manufacturing facilities.

SECTION 2. This act takes effect upon approval by the Governor and applies to tax years beginning after 2024.

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