

Relation to K-12 Education Funding and the Sales and Use tax

SECTION 12-36-2620. Sales and use taxes composed of two components.

The taxes imposed by Sections 12-36-910, 12-36-920(B), 12-36-1310, and 12-36-1320 are composed of two taxes as follows:

(1) a four percent tax, which must be credited as provided in Section 59-21-1010(A), and
(2) a one percent tax, which must be credited as provided in Section 59-21-1010(B). The one percent tax specified in this item does not apply to sales to an individual eighty-five years of age or older purchasing tangible personal property for his own personal use, if at the time of sale, the individual requests the one percent exclusion from tax and provides the retailer with proof of age.

SECTION 59-21-1010. Disposition and allocation of revenues; special vote required to amend or repeal this section.

(A) The revenue derived from Sections 12-36-2620(1) and 12-36-2630(1) must be remitted to the State Treasurer to be credited to the state public school building fund for the purposes provided for in Article 3 of Chapter 21 of Title 59 and any sum above that **amount must be placed to the credit of the general fund of the State and must be used for school purposes only.**

(B) The revenue derived from Sections 12-36-2620(2), 12-36-2630(2), and 12-36-2640(2) must be deposited by the State Treasurer in the South Carolina Education Improvement Act of 1984 Fund as a fund separate and distinct from the general fund of the State. All unappropriated money in this fund and earning on investments from this fund must remain part of the separate fund and must not be deposited in the general fund except as provided for in this section. **Money from this fund may be spent only for elementary and secondary school purposes.** Any change in the management or use of this fund for other than elementary and secondary education is permitted only by a two-thirds vote provided in this section.

(C)(1) Upon implementation of the provisions of this section by law, the law may not be amended or repealed except by special vote provided in this section.

(2) For purposes of this subsection, a special vote means an affirmative two-thirds vote of the total membership of the Senate and an affirmative two-thirds vote of the total membership of the House of Representatives.

All monies appropriated from the Education Improvement Act of 1984 Fund which are disbursed by the State Department of Education must be appropriated in one division of the section in the annual general appropriations act making appropriations for the State Department of Education.

GENERAL FUNDS EARMARKED FOR PUBLIC EDUCATION

Sales Tax	\$2,137,179,935
Alcoholic Liquors Tax (60%)	23,524,063
Beer & Wine Tax (penalties & fees)	548,739
	<hr/>
	\$2,161,252,737

FY 2010-11 Goal - derived from the 4/7/2010 BEA forecast \$2,063,996,364

Goal is 95.5% of education earmarked funds