



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 5119
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Subject: State Guard
Requestor: House Ways and Means
RFA Analyst(s): Shuford
Impact Date: April 25, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	(\$2,100)	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill would decrease General Fund individual income tax revenue by \$2,100 in FY 2016-17.

Explanation of Fiscal Impact

State Expenditure

N/A

State Revenue

This bill amends various sections relating to the South Carolina State Guard. The following is an analysis of the bill by section.

Section 1. This section allows a member of the State Guard to claim a \$3,000 deduction from South Carolina taxable income when the member completes a minimum of 192 hours of training or drill a year. Current law requires the member complete a minimum of 16 hours each month, equating to 192 hours a year. State Guard officials indicate that training and drill are currently averaging 240 hours per year. In tax year 2014, 233 State Guard members were eligible for the \$3,000 deduction. We estimate that simplifying the training and drill requirement to 192 hours a year will increase the number of State Guard members receiving the deduction by 20 per year. These 20 additional members with the \$3,000 deduction at an average tax rate of 3.5 percent results in an estimated \$2,100 reduction in tax liability for these State Guard taxpayers. The average tax rates used in this analysis are based on a re-calculation of the income tax for each return after the proposed deduction is applied. This method takes into account the large number

of returns that have zero taxable income, returns that are reduced to zero taxable income by the deduction, and returns that do not benefit from the full amount of the proposed deduction.

Sections 2. This section adds South Carolina State Guard judge advocates to the list of legal assistance attorneys who may provide premobilization legal assistance and counseling to national guard personnel, immediate family members, and dependents.

Section 3. This section adds South Carolina State Guard judge advocates to the list of personnel that are exempt from personal liability for alleged negligent or wrongful acts when providing legal assistance.

Sections 4 and 5. These sections provide the Governor more flexibility in calling the State Guard into state duty when the National Guard is otherwise tasked with duties that cause the State to be without sufficient military resources. The State Guard may be ordered into service for a breach, natural or manmade disaster, or local emergency when the lives and property of the state's citizens are threatened.

Section 6. This amendment to Section 25-3-140 permits members of the State Guard, when ordered to active duty, to receive a daily stipend or a per diem for reasonable expenses, or both, if approved by the Adjutant General. We expect that sections two through six of this bill will not have any expenditure or revenue effect on the General Fund, Federal Funds, or Other Funds.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director