**South Carolina General Assembly**

125th Session, 2023-2024

**S. 969**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Alexander, Peeler, Setzler, K. Johnson, Young, Malloy, Senn, Stephens and McLeod

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Introduced in the Senate on January 17, 2024

Introduced in the House on March 21, 2024

Last Amended on May 7, 2024

Currently residing in the Senate

Summary: Income tax deductions

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/17/2024 Senate Introduced and read first time ([Senate Journal‑page 4](h:\sj\20240117.docx))

1/17/2024 Senate Referred to Committee on **Finance** ([Senate Journal‑page 4](h:\sj\20240117.docx))

2/28/2024 Senate Committee report: Favorable **Finance** ([Senate Journal‑page 14](h:\sj\20240228.docx))

3/19/2024 Senate Read second time ([Senate Journal‑page 15](h:\sj\20240319.docx))

3/19/2024 Senate Roll call Ayes-40 Nays-0 ([Senate Journal‑page 15](h:\sj\20240319.docx))

3/20/2024 Senate Read third time and sent to House ([Senate Journal‑page 11](h:\sj\20240320.docx))

3/21/2024 House Introduced and read first time ([House Journal‑page 18](h:\hj\20240321.docx))

3/21/2024 House Referred to Committee on **Ways and Means** ([House Journal‑page 18](h:\hj\20240321.docx))

4/25/2024 House Committee report: Favorable with amendment **Ways and Means** ([House Journal‑page 20](h:\hj\20240425.docx))

4/30/2024 Scrivener's error corrected

5/2/2024 House Debate adjourned until Tues., 5-7-24 ([House Journal‑page 21](h:\hj\20240502.docx))

5/7/2024 House Amended

5/7/2024 House Read second time

5/7/2024 House Roll call Yeas-xxx Nays-xxx

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=969&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[01/17/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240117.docx)

[02/28/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240228.docx)

[04/25/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240425.docx)

[04/30/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/969_20240430.docx)

Indicates Matter Stricken

Indicates New Matter

Committee Report

April 25, 2024

S. 969

Introduced by Senators Alexander, Peeler, Setzler, K. Johnson, Young, Malloy, Senn, Stephens and McLeod

S. Printed 04/25/24--H. [SEC 4/30/2024 6:53 PM]

Read the first time March 21, 2024

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The committee on House Ways and Means

To whom was referred a Bill (S. 969) to amend the South Carolina Code of Laws by amending Section 12‑6‑1140, relating to deductions from individual taxable income, so as to increase the subsistence, etc., respectfully

Report:

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

Amend the bill, as and if amended, by adding appropriately numbered SECTIONS to read:

SECTION X. A. Section 12-6-3800(A), (B), and (C) of the S.C. Code is amended to read:

(A) For the purposes of this section:

(1) “Independent institution of higher learning” has the same meaning as provided in Section 59-113-50.

(2) “Medical school-required clinical rotation”, “physician assistant program-required clinical rotation”, or “advanced practice nursing program-required clinical rotation” means a clinical rotation for a public teaching institution or independent institution of higher learning that:

(a) is established for a student who is enrolled in a South Carolina public teaching institution or an independent institution of higher learning, including:

(i) medical school;

(ii) a physician assistant program; and

(iii) an advanced practice nursing program; and

(b) includes a minimum of one hundred sixty hours of instruction in one of the following clinical settings:

(i) family medicine;

(ii) internal medicine;

(iii) pediatrics;

(iv) obstetrics and gynecology;

(v) emergency medicine;

(vi) psychiatry; or

(vii) general surgery under the guidance of a physician, advanced practice registered nurse, or physician assistant; or

(viii) specialty care including, but not limited to, dermatology, hematology, neurology, and oncology.

(3) “Preceptor” means a physician, advanced practice nurse practitioner, or physician assistant who provides supervision and instruction during student clinical training experiences, is otherwise not compensated for doing so, and provides a minimum of two required clinical rotations within a calendar year.

(B)(1) There is allowed an income tax credit for each clinical rotation a physician serves as the preceptor for a medical school-required clinical rotation, advanced practice nursing program-required clinical rotation, and physician assistant program-required clinical rotation. (2) If at least fifty percent of If the physician's practice consists of a combined total ofincludes Medicaid insured, or Medicare insured, and self-pay patients, then the credit is equal to one thousand dollars for each rotation served, not to exceed four thousand dollars a year. The provider must be a Medicaid-participating provider and have a minimum of at least one hundred Medicaid and Medicare patients combined or be a free clinic.

(3) If at least thirty percent of the physician's practice consists of a combined total of Medicaid insured, Medicare insured, and self-pay patients, then the credit is equal to seven hundred fifty dollars for each rotation served, not to exceed three thousand dollars a year.

(4) If less than thirty percent of the physician's practice consists of a combined total of Medicaid insured, Medicare insured, and self-pay patients, then the credit is disallowed.

(5) The credits allowed by this subsection are not cumulative and may not be combined.

(C)(1) There is allowed an income tax credit for each clinical rotation an advanced practice registered nurse or physician assistant serves as the preceptor for an advanced practice nursing or physician assistant-required clinical rotation. The credit is equal to one thousand dollars for each rotation served, not to exceed four thousand dollars a year. The provider must be a Medicaid-participating provider and have a minimum of at least one hundred Medicaid and Medicare patients combined or be a free clinic.

(2) If at least fifty percent of the advanced practice registered nurse's or physician assistant's practice consists of a combined total of Medicaid insured, Medicare insured, and self-pay patients, then the credit is equal to seven hundred fifty dollars for each rotation served, not to exceed three thousand dollars a year.

(3) If at least thirty percent of the advanced practice registered nurse's or physician assistant's practice consists of a combined total of Medicaid insured, Medicare insured, and self-pay patients, then the credit is equal to five hundred dollars for each rotation served, not to exceed two thousand dollars a year.

(4) If less than thirty percent of the advance practice registered nurse's or physician assistant's practice consists of a combined total of Medicaid insured, Medicare insured, and self-pay patients, then the credit is disallowed.

(5) The credits allowed by this subsection are not cumulative and may not be combined.

B. Section 4 of Act 45 of 2019 is amended to read:

Section 4. This act takes effect upon approval by the Governor and shall apply to tax years 2020 through 20252029. Section 12-6-3800 and Section 12-6-1140( )12-6-1140(14) are repealed January 1, 20262030.

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

SECTION X.A. Section 4‑37‑30(A)(9) of the S.C. Code is amended to read:

(9) The tax authorized by this section is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in the applicable jurisdiction which are subject to the tax imposed by Chapter 36 of, Title 12 and the enforcement provisions of Chapter 54 of, Title 12. The gross proceeds of the sale of items subject to a maximum tax in Chapter 36 of, Title 12 are exempt from the tax imposed by this section. The gross proceeds of the sale of food lawfully purchased with United States Department of Agriculture food stamps are exempt from the tax imposed by this section. For any tax authorized by this section pursuant to a referendum held on or after November 5, 2024, unprepared food items eligible for purchase with United States Department of Agriculture food coupons may be exempt from the tax imposed pursuant to this section at the election of the governing body of a county as may be provided in the authorizing ordinance required by item (1). The tax imposed by this section also applies to tangible personal property subject to the use tax in Article 13, Chapter 36 of, Title 12.

B. This SECTION takes effect upon approval by the Governor.

Renumber sections to conform.

Amend title to conform.

B.W. BANNISTER for Committee.

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑6‑1140, RELATING TO DEDUCTIONS FROM INDIVIDUAL TAXABLE INCOME, SO AS TO INCREASE THE SUBSISTENCE DEDUCTION AMOUNT FOR CERTAIN PAID PUBLIC SERVANTS SUCH AS LAW ENFORCEMENT AND FIREFIGHTERS, AND TO INCREASE THE VOLUNTEER EXEMPTION AMOUNT FOR CERTAIN UNPAID PUBLIC SERVANTS SUCH AS LAW ENFORCEMENT AND FIREFIGHTERS.

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

SECTION 1. Section 12‑6‑1140(6) of the S.C. Code is amended to read:

(6) a subsistence allowance of eight sixteen dollars a day for federal, state, and local law enforcement officers paid by a political subdivision of this State, the government of this State, or the federal government, for each regular work day in a taxable year and full‑time firefighters and emergency medical service personnel may deduct as a subsistence allowance eight sixteen dollars a day for each regular work day in a taxable year;

SECTION 2. Section 12‑6‑1140(10)(b) of the S.C. Code is amended to read:

(b) An individual may receive only one deduction pursuant to this item. The Revenue and Fiscal Affairs Office annually shall estimate a maximum deduction that may be permitted under this section for a taxable year based on an individual income tax revenue loss of three million one hundred thousand dollars attributable to this deduction and shall certify that maximum deduction to the Department of Revenue and for the applicable taxable year, the maximum deduction amount must not exceed the lesser of the certified estimate or three six thousand dollars.

SECTION 3. This act takes effect upon approval by the Governor and applies to tax years beginning after 2023.

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