



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

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SC INFORMATION LETTER #25-11

SUBJECT: Tax Legislative Update for 2025

DATE: June 19, 2025

AUTHORITY: S.C. Code Ann. § 12-4-320 (2014)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

Attached is a summary of the significant changes in tax and regulatory laws enacted during the past legislative session. The summary is divided into categories, by subject matter, as indicated below.

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DISCLAIMER:

This update is intended to be a summary of the major parts of the recently enacted legislation; it is not the Department’s interpretation of the meaning or effect of any particular piece of legislation. This update is written in general terms for widest possible use and may not contain all the specific requirements or provisions of authority. It is intended as a guide only, and the application of its contents to specific situations will depend on the circumstances. It does not represent official Department policy. You should always refer to the full text of the legislation for specific details and requirements.

There may be instances where some tax or incentive related legislation summarized herein is under the jurisdiction of another state agency or political subdivision rather than the Department of Revenue. In these cases, questions concerning the legislation should be made directly to the agency or political subdivision having primary responsibility for the administration of these acts.

TEXT OF LEGISLATION:

A complete copy of the legislation discussed can be obtained from the South Carolina Legislature’s website at scstatehouse.gov.

LIST OF BILLS BY SUBJECT CATEGORY

The following is a list of significant changes in tax laws (both permanent and temporary) enacted during the 2025 legislative session. Temporary provisos are enacted in the State budget and are only effective for the fiscal year (July 1 – June 30) following enactment. Although many provisos are reenacted in subsequent years, temporary provisos expire on June 30, 2026 unless reenacted.

Also included are reminders of provisions which were enacted in a prior year but are being phased in or are effective in 2025 and thereafter. These provisions are indicated as “reminders” in the chart below.

This list is divided by subject matter with the bills listed in numeric order.

INCOME TAXES, BANK TAXES, WITHHOLDING, and CORPORATE LICENSE FEES

BILL #	ACT #	SUBJECT
507	63	Internal Revenue Code Conformity
1087, Secs. 1 and 2	228 of 2022	Individual, Estate, and Trust Income Tax – Top Marginal Rate Reduction Phase-Down Beginning Tax Year 2022 – Reminder
1087, Sec. 4	228 of 2022	2.5% Marginal Tax Rate Reduction in 2007 – To be Repealed - Reminder
4025, Part IB, Sec. 1A, Proviso 1A.9	69	Teaching Supplies and Materials – Reimbursement Amount Not Taxable or Refundable Income Tax Credit – Reenacted Temporary Proviso
4025, Part IB, Sec. 1A, Proviso 1A.10	69	Teacher of the Year Awards – Not Subject to South Carolina Income Tax – Reenacted Temporary Proviso
4025, Part IB, Sec. 50, Proviso 50.23	69	Job Development Tax Credit Program – Reenacted Temporary Proviso
4025, Part IB, Sec. 63, Proviso 63.9	69	Governor’s Law Enforcement Officer of the Year Awards – Not Subject to South Carolina Income Tax – Reenacted Temporary Proviso
4025, Part IB, Sec. 73, Proviso 73.8	69	SC Broadband Office and SC Digital Opportunity – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.15	69	Income Tax Withholding at Highest Individual Income Tax Rate – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.17	69	Emergency Commodity Assistance Program – New Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.111	69	Retail Facilities Revitalization Act – Repeal of Act Suspended – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.163	69	Abandoned Textile Mills Credit – Effective Date of Notice of Intent to Rehabilitate – Reenacted Temporary Proviso

**INCOME TAXES, BANK TAXES, WITHHOLDING, and CORPORATE LICENSE FEES
(CONTINUED)**

BILL #	ACT #	SUBJECT
4025, Part IB, Sec. 117, Proviso 117.208	69	Tax Rate – New Temporary Proviso
4025, Part IB, Sec. 118, Proviso 118.10	69	Consumer Protection Services – Individual Income Tax Deduction – Reenacted Temporary Proviso

PROPERTY TAXES

BILL #	ACT #	SUBJECT
654, Sec. 5	92 of 2023	Consolidation of Barnwell County School Districts – Millage – Reminder
4025, Part IB, Sec. 1, Proviso 1.38	69	Index of Taxpaying Ability – Imputed Value for Owner-Occupied Residential Property – Reenacted Temporary Proviso
4025, Part IB, Sec. 92D, Proviso 92D.1	69	Improvements to Property Damaged by Catastrophic Weather Event – Time for Improvements for Eligible Events – Reenacted and Revised Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.11	69	Notification of Protest to Affected County and School District – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.14	69	Manufacturing Property Tax Reduction Disallowed – Utilities – Reenacted Temporary Proviso
4025, Part IB, Sec. 113, Proviso 113.6	69	Agricultural Use Exemption for Timberland – Impact of Additional County Requirements – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.37	69	Personal Property Tax Relief Fund – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.111	69	Retail Facilities Revitalization Act – Repeal of Act Suspended – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.160	69	Millage Calculation – Adjustments for 2020 Census – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.202	69	Political Subdivision Reimbursement – New Temporary Proviso

SALES and USE TAXES

BILL #	ACT #	SUBJECT
3800	45	Sales Tax Exemption – Durable Medical Equipment
4025, Part IB, Sec. 44, Proviso 44.10	69	South Carolina Agriculture Tax Exemption Card (SCATE Card) – Fee Authorized for Card – Reenacted Temporary Proviso

SALES and USE TAXES (CONTINUED)

BILL #	ACT #	SUBJECT
4025, Part IB, Sec. 88, Proviso 88.5	69	Navy Base Intermodal Facility – Distribution Facility Eligibility – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.16	69	Farm Fuels – Sales Tax Exemption – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.36	69	Private Schools – Use Tax Exemption – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.54	69	Respiratory Syncytial Virus Medicines Exemption – Effective Date – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.58	69	Viscosupplementation Therapies – Sales and Use Tax Suspended – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.138	69	Agribusiness Facilities – Material Handling and Construction Material Exemptions – Reenacted Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.168	69	Festival Craftsmen – Not Making Sales at Retail – Reenacted Temporary Proviso

MISCELLANEOUS

BILL #	ACT #	SUBJECT
Administrative and Procedural		
4025, Part IB, Secs. 41 and 117, Provisos 41.2 and 117.81	69	3% Reduction on Interest Rate on Tax Refunds – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.6	69	Voluntary Website Posting of Tax Return Information for Candidates and Gubernatorial Appointees – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.12	69	Certain License or Permit Applications – Electronic Filing Option under Penalties of Perjury – Reenacted Temporary Proviso
4025, Part IB, Sec. 109, Proviso 109.13	69	Advance Referendum Notification by Election Commission to SCDOR – Reenacted Temporary Proviso
Miscellaneous Taxes		
171	33	Used Tire Fees
3430, Sec. 3	42	Alcohol Server Training
3430, Sec. 4	42	Penalties for Prohibited Acts Relating to the Sale of Beer or Wine

MISCELLANEOUS (CONTINUED)

BILL #	ACT #	SUBJECT
Miscellaneous Taxes		
3430, Sec. 5	42	Sale of Beer or Wine at Collegiate Sporting Venues
3430, Sec. 8	42	Liquor Liability Risk Mitigation
4187	89	Lexington County School District Sales and Use Tax – Extension
4025, Part IB, Sec. 1, Proviso 1.12	69	Local Government School Buses – Motor Fuel User Fee Exemption – Reenacted Temporary Proviso
4025, Part IB, Sec. 33, Proviso 33.10	69	Nursing Home Bed Franchise Fee – Suspension – Reenacted Temporary Proviso
4025, Part IB, Sec. 49, Proviso 49.24	69	Local Film Carry Forward – New Temporary Proviso
4025, Part IB, Sec. 117, Proviso 117.162	69	Athletic Admissions Tax Revenue – Reenacted Temporary Proviso
4025, Part IB, Sec. 118, Proviso 118.7	69	Admissions Tax Rebate – Motorsports, Tennis, and Soccer Facilities – Reenacted Temporary Proviso

INCOME TAXES, BANK TAXES, WITHHOLDING, AND CORPORATE LICENSE FEES

Senate Bill 507 (Act No. 63)

Internal Revenue Code Conformity

Conformity Date. Section 12-6-40(A)(1)(a) has been amended, except as otherwise provided, to update South Carolina's income tax laws to conform to the Internal Revenue Code of 1986 through December 31, 2024, and includes the effective date provisions contained therein.

Extension of Federal Expiring Provisions. Section 12-6-40(A)(1)(c) provides that if during 2025 the federal government extends, without otherwise amending, Internal Revenue Code (IRC) provisions that expired on December 31, 2024, then these sections or portions of sections which have been adopted by South Carolina will be extended in the same manner that they are for federal income tax purposes.

Effective Date: May 22, 2025

NEW TEMPORARY PROVISOS

The following new temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

House Bill 4025, Part IB, Section 109, Proviso 109.17 (Act No. 69)

Emergency Commodity Assistance Program

The U.S. Department of Agriculture (USDA) is issuing direct payments to eligible agricultural producers of eligible commodities to help mitigate impacts of increased input costs and falling commodity prices. Under this temporary proviso, federally-earned commodity assistance program funds from the USDA are exempt from state income taxes for the fiscal year July 1, 2025 through June 30, 2026.

House Bill 4025, Part IB, Section 117, Proviso 117.208 (Act No. 69)

Tax Rate

Under this temporary proviso, Section 12-6-510(B)(2) and (3), phasing in the income tax rate reduction, is suspended for the current fiscal year. The top marginal income tax rate is 6% for the 2025 tax year.

REENACTED OR REVISED TEMPORARY PROVISOS

The following temporary provisos were enacted in a prior legislative session and were reenacted by the General Assembly in 2025. Temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

House Bill 4025, Part IB, Section 118, Proviso 118.10 (Act No. 69)

Consumer Protection Services – Individual Income Tax Deduction

This temporary proviso allows an individual an income tax deduction for the cost incurred to purchase identity theft protection and identity theft resolution services by monthly or annual contract or subscription. The deduction is equal to actual costs for the contract or subscription incurred in the tax year, up to \$300 for an individual taxpayer and up to \$1,000 for a joint return or a return claiming dependents.

The deduction is available to:

1. A taxpayer who filed a return (paper or electronic) with the Department for any tax year from 1998 through 2012; or
2. A person whose personally identifiable information was on the return of another eligible person, including minor dependents.

The deduction is not available to an individual who deducted the same actual cost as a business expense.

House Bill 4025, Part IB, Section 1A, Proviso 1A.9 (Act No. 69)

Teaching Supplies and Materials – Reimbursement Amount Not Taxable or Refundable Income Tax Credit

This temporary proviso allows a \$400 expense reimbursement for teaching supplies and materials purchased by employees of a school district or charter school who are:

1. Certified or non-certified public school teachers identified in the Professional Certified Staff (PCS);
2. Certified special school classroom teachers;
3. Certified media specialists;
4. Certified guidance counselors; or
5. Career specialists.

The reimbursement also applies to lead teachers employed in a publicly funded full day 4K classroom approved by South Carolina First Steps to School Readiness. The reimbursement is not considered South Carolina taxable income.

This proviso also allows any classroom teacher not eligible for the teacher supply reimbursement described above, including a classroom teacher at a South Carolina private school, to claim a refundable income tax credit on his/her 2025 tax return. The credit is the lesser of \$400 or the amount spent on teacher supplies and materials. The return or amended return claiming the credit must be filed on or before June 30, 2026, and may include expenses incurred after December 31, 2025.

A teacher may not receive the reimbursement provided by this proviso and also claim the income tax credit.

House Bill 4025, Part IB, Section 1A, Proviso 1A.10 (Act No. 69)

Teacher of the Year Awards – Not Subject to South Carolina Income Tax

This temporary proviso provides for various teacher of the year awards. The awards made according to this proviso are not subject to South Carolina income tax.

House Bill 4025, Part IB, Section 117, Proviso 117.111 (Act No. 69)

Retail Facilities Revitalization Act – Repeal of Act Suspended

The South Carolina Retail Facilities Revitalization Act (Title 6, Chapter 34) was enacted in 2006 (Act No. 285) to create an incentive for the renovation, improvement, and redevelopment of abandoned retail facility sites in South Carolina. A taxpayer who renovates, improves, or redevelops an abandoned retail facility at an eligible site may elect to take either an income tax credit or a property tax credit. By its terms Act No. 285 of 2006 was automatically repealed on July 1, 2016.

This temporary proviso suspends the repeal of the South Carolina Retail Facilities Revitalization Act for fiscal year 2025-2026 for sites where written notification of election of mode of credit was provided to the Department prior to July 1, 2016 and a building permit was issued prior to July 1, 2016.

House Bill 4025, Part IB, Section 63, Proviso 63.9 (Act No. 69)

Governor's Law Enforcement Officer of the Year Awards – Not Subject to South Carolina Income Tax

This temporary proviso provides for an advisory committee created by the Department of Public Safety to select a state law enforcement officer of the year, a county law enforcement officer of the

year, and a municipal law enforcement officer of the year. Each winner is recognized by the Office of the Governor and receives a \$10,000 award. These awards are not subject to South Carolina income tax.

House Bill 4025, Part IB, Section 109, Proviso 109.15 (Act No. 69)

Income Tax Withholding at Highest Individual Income Tax Rate

This temporary proviso requires the Department to clarify that any income tax withholding provision requiring withholding at the rate of 7% means withholding at the maximum individual income tax rate.

This affects the provisions requiring withholding on:

1. Prizes or winnings of \$500 or more (Section 12-8-530);
2. Rent or royalty payments to nonresidents (Section 12-8-540);
3. Distributions by a trust or estate to a nonresident beneficiary (Section 12-8-570);
4. Purchases of real property from a nonresident seller (Section 12-8-580); and
5. Wages paid to an individual who fails to provide a taxpayer identification number or social security number (Section 12-8-595).

This change was made permanent effective July 2, 2024 with 2024 Act No. 215.

House Bill 4025, Part IB, Section 117, Proviso 117.163 (Act No. 69)

Abandoned Textile Mills Credit – Effective Date of Notice of Intent to Rehabilitate

The South Carolina Textiles Communities Revitalization Act (Chapter 65, Title 12) was enacted in 2008 to create an incentive for the renovation, improvement, and redevelopment of abandoned textile mill sites in South Carolina.

Section 12-65-30(A) provides qualifying taxpayers a credit against either income taxes or real property taxes for the rehabilitation of an abandoned textile mill site in South Carolina.

A Notice of Intent to Rehabilitate (Notice) filed by June 30, 2025 shall be effective as of the effective date designated by the taxpayer in the Notice for any project involving an abandoned textile mill of:

1. Between 50,000 and 55,000 square feet (if the rehabilitation began by June 30, 2022); or
2. Between 130,000 and 135,000 square feet;

and with estimated rehabilitation expenses of:

1. Between \$3,000,000 and \$3,500,000; or

2. Between \$5,500,000 and \$6,500,000.

This effective date may be earlier than the date of the Notice. Any rehabilitation expenses incurred on or after the effective date designated by the taxpayer shall be eligible for income tax credits under Section 12-65-30(A)(2), provided all other applicable statutory requirements are satisfied.

House Bill 4025, Part IB, Section 50, Proviso 50.23 (Act No. 69)

Job Development Tax Credit Program

The state agencies responsible for managing, reporting, approving, and auditing the Job Development Credit program may increase fees charged to companies within the program as necessary to cover the operation expenses of the program. These fees will be included in each agency's Fines and Fees Annual Report.

House Bill 4025, Part IB, Section 73, Proviso 73.8 (Act No. 69)

SC Broadband Office and SC Digital Opportunity

Under this temporary proviso, grant funds provided by the Broadband Office under the American Rescue Plan Act (ARPA) and Infrastructure Investment and Jobs Act (IIJA) will be treated as contributions of capital of the recipients for South Carolina tax purposes.

REMINDERS

The following provisions were enacted prior to 2025 but are being phased in or are effective in 2025 and thereafter. The provisions are summarized below for informational purposes.

Senate Bill 1087, Sections 1 and 2 (Act No. 228 of 2022)

Individual, Estate, and Trust Income Tax – Top Marginal Rate Reduction Phase-Down Beginning Tax Year 2022

The Comprehensive Tax Cut Act of 2022 provides that South Carolina's top marginal tax rate in Section 12-6-510 will be lowered from 7% to 6% over a minimum of six years. This is the rate for individuals, estates, trusts, and any other entity except entities otherwise taxed or exempted from tax in Sections 12-6-530 through 12-6-550 (e.g., corporations, electing small business trusts, banks, insurance companies, and other tax exempt organizations, such as organizations under IRC Sections 501 through 528).

Section 12-6-510(B) provides a top marginal rate of 6.5% beginning in tax year 2022. This 6.5% marginal rate decreases by one-tenth of one percent each tax year thereafter until the top marginal tax rate is 6%, provided certain revenue conditions in Section 12-6-510(B)(3) are met.

The chart below shows the new top marginal tax rates for tax years 2022 through 2024 and the top marginal tax rates during the remaining phase-down period from 2025 through 2026 if the revenue requirements are met each of those years. All reductions are permanent and cumulative.

Tax Year	Top Marginal Tax Rate Phase-down
2022	6.5% - Permanent reduction
2023	6.4% - Permanent reduction
2024	6.2% ¹
2025*	6.0% ²
2026*	6.0%*

*The tax rate reduction will continue by one-tenth of one percent in each tax year if general fund revenues are projected by the Revenue and Fiscal Affairs Office to increase by at least 5% in the fiscal year that begins during the tax year. The forecast in effect on February 15th of the current fiscal year is the final forecast to determine the percentage adjustment.

Effective Date: June 17, 2022, and first applies to tax years beginning after 2021.

Senate Bill 1087, Section 4 (Act No. 228 of 2022)

2.5% Marginal Tax Rate Reduction in 2007 – To be Repealed

Section 12-6-515, which lowered South Carolina’s 2.5% marginal tax rate for individuals, estates, and trusts to 0% effective in 2007, is no longer necessary with the updates to the marginal tax rates in Section 12-6-510 as amended and will be repealed.

Effective Date: This repeal takes effect on January 1 of the first tax year in which the new provisions of Section 12-6-510(B) are fully phased-down and the top marginal rate equals 6%. See 2022 Act No. 228, Sections 1 and 2, above.

¹ The reduced rate for 2024 would have been 6.3% according to 2022 Act No. 228, but was further reduced to 6.2% under 2024-25 Budget Proviso 118.23

² The rate for 2025 is reduced to 6.0% under 2025-26 Budget Proviso 117.208.

PROPERTY TAXES

NEW TEMPORARY PROVISOS

The following new temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

House Bill 4025, Part IB, Section 117, Proviso 117.202 (Act No. 69)

Political Subdivision Reimbursement

Section 12-37-220(52) provides an exemption of 42.8571% of the property tax values of certain manufacturing property assessed for property tax purposes under Section 12-43-220(a)(1). Any revenue loss resulting from this exemption must be reimbursed and allocated to political subdivisions of the state, including school districts. Under this temporary proviso, for the property tax year that ends in the current fiscal year, up to \$300,000,000 may be used to reimburse political subdivisions, including school districts. If the funds are unavailable to make the full reimbursement, the balance may be expended from the Trust Fund for Tax Relief to make the reimbursement in full.

REENACTED OR REVISED TEMPORARY PROVISOS

The following temporary provisos were enacted in a prior legislative session and were reenacted by the General Assembly in 2025. Temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

House Bill 4025, Part IB, Section 109, Proviso 109.11 (Act No. 69)

Notification of Protest to Affected County and School District

This temporary proviso requires the Department to notify any affected county and school district when a taxpayer, other than an individual, files a written protest of a property tax assessment or the denial of a property tax exemption pursuant to Section 12-60-2120.

House Bill 4025, Part IB, Section 109, Proviso 109.14 (Act No. 69)

Manufacturing Property Tax Reduction Disallowed - Utilities

Under this temporary proviso, in the current fiscal year, property owned by or leased to any utility, including solar farms, is not allowed the property tax reduction percentage for manufacturing property under Section 12-37-220(B)(52).

House Bill 4025, Part IB, Section 1, Proviso 1.38 (Act No. 69)

Index of Taxpaying Ability – Imputed Value for Owner-Occupied Residential Property

The index of taxpaying ability is used to determine state funding for education under the Education Finance Act of 1977, Chapter 20, Title 59. This index is prepared by the Department and shows a local school district's relative fiscal capacity in relation to that of all other districts in the state based on the full market value of all taxable property of the district assessed for ad valorem taxes for the second completed property tax year preceding the fiscal year in which the index is used.

Section 12-37-220(B)(47) exempts 100% of the fair market value of owner-occupied residential property receiving a 4% assessment ratio pursuant to Section 12-43-220(c) from all property taxes imposed for school operating purposes. School districts are reimbursed for lost revenue based on a three-tier formula set forth in Section 11-11-156.

This temporary proviso clarifies that, for the current fiscal year, an index value for the exempt owner-occupied residential property must be imputed by adding the second preceding taxable year total school district reimbursements for Tiers 1, 2, and 3(A) of the three-tier formula and not to include the supplement distribution. The Department shall not include sales ratio data in its calculation of the index of taxpaying ability. The methodology for the calculation of value for classes of property other than exempt owner-occupied residential property is not affected by this temporary proviso.

House Bill 4025, Part IB, Section 113, Proviso 113.6 (Act No. 69)

Agricultural Use Exemption for Timberland – Impact of Additional County Requirements

Chapter 27 of Title 6 establishes the Local Government Fund ("Fund") and requires that South Carolina's annual General Appropriations Act allocate a specified amount of general fund revenues from the latest completed fiscal year to the Fund. No later than 30 days after the end of each calendar quarter, the State Treasurer must distribute Fund revenues to counties and municipalities in accordance with Section 6-27-40.

Sections 12-43-230(a) and 12-43-232 provide certain requirements for a landowner to receive an agricultural use exemption. Under this temporary proviso, if a county imposes any additional requirements for an agricultural use exemption with respect to timberland, the county's Fund distributions will be withheld.

House Bill 4025, Part IB, Section 117, Proviso 117.37 (Act No. 69)

Personal Property Tax Relief Fund

This temporary proviso provides that if a county imposes a personal property tax exemption sales tax in an effort to reduce ad valorem taxes on personal motor vehicles, and a 2% sales tax rate on gross proceeds of sales is not enough to offset the property tax not collected, then amounts must be credited to the Trust Fund for Tax Relief established under Section 11-11-150 to provide full reimbursement to offset the shortfall in the manner provided in Section 4-10-540(A).

Note: As of the date of this publication, no county has reduced the ad valorem taxes on personal motor vehicles by imposing this sales tax.

House Bill 4025, Part IB, Section 92D, Proviso 92D.1 (Act No. 69)

Improvements to Property Damaged by Catastrophic Weather Event – Time for Improvements for Eligible Events

This temporary proviso provides that for real property or personal property used as a residence, such as a mobile home or manufactured housing unit, which was damaged during the catastrophic weather event in October 2015, Hurricane Matthew of 2016, Hurricane Florence of 2018, or Hurricane Helene of 2024, improvements made after the event and before June 30, 2026 are not considered improvements and may not be reassessed at a higher rate as a result of the assistance provided.

This provision applies if, as a result of the catastrophic weather event, the improvements made to the property were funded by the United States Department of Housing and Urban Development Block Grant - Disaster Recovery program, implemented by the Office of Resilience or its predecessor, the Disaster Recovery Office, or the Office of Resilience's Rapid Rebuild Program funded by the Disaster Relief and Resilience Reserve Fund. This provision also applies if, at the discretion of the county, and using qualifications determined by the county, the improvements were made with the assistance of a volunteer organization active in disaster, or in a similar volunteer organization.

During the current fiscal year, the property tax value of an eligible property shall remain the same unless an assessable transfer of interest occurs. No refund is allowed on account of values adjusted as provided in this provision.

House Bill 4025, Part IB, Section 117, Proviso 117.111 (Act No. 69)

Retail Facilities Revitalization Act – Repeal of Act Suspended

The South Carolina Retail Facilities Revitalization Act (Title 6, Chapter 34) was enacted in 2006 (Act No. 285) to create an incentive for the renovation, improvement, and redevelopment of abandoned retail facility sites in South Carolina. A taxpayer who renovates, improves, or redevelops an abandoned retail facility at an eligible site may elect to take either an income tax credit or a property tax credit. By its terms Act No. 285 of 2006 was automatically repealed on July 1, 2016.

This temporary proviso suspends the repeal of the South Carolina Retail Facilities Revitalization Act for fiscal year 2025-2026 for sites where written notification of election of mode of credit was provided to the Department prior to July 1, 2016 and a building permit was issued prior to July 1, 2016.

House Bill 4025, Part IB, Section 117, Proviso 117.160 (Act No. 69)

Millage Calculation – Adjustments for 2020 Census

Under this temporary proviso, for the 2025-2026 fiscal year, a municipality is allowed an additional and permanent adjustment to its general operating millage rate increase limitation for population growth for any increase that would have been allowed in Fiscal Year 2021-2022 but was not known because of the delayed release of the 2020 Census. The adjustment must be calculated using July 1, 2020 census population estimates, as originally published based on the 2020 Census, instead of July 1, 2019 population estimates based on the 2010 Census.

REMINDERS

The following provisions were enacted prior to 2025 but are being phased in or are effective in 2025 and thereafter. The provisions are summarized below for informational purposes.

Senate Bill 654, Section 5 (Act No. 92 of 2023)

Consolidation of Barnwell County School Districts - Millage

Effective July 1, 2024, Barnwell County School District 45, Barnwell County Consolidated School District, and Barnwell County School District 80 are abolished. The powers and duties of the three school districts' respective boards of trustees will devolve on the board of trustees of a consolidated school district to be known as the Barnwell County School District.

The Department determined and calculated the 2024 property tax millage levy of the new Barnwell County School District based on the 2023 levy of the three present districts and the value of a mill in each district. The millage levy for 2025 is the same as the millage levy for 2024.

Beginning in 2026, the new board of trustees is authorized to impose an annual tax levy, exclusive of any millage imposed for bond debt service. Upon certification to the county auditor of the tax levy to be imposed, the auditor will levy, and county treasurer will collect, the certified millage upon all taxable property in the Barnwell County School District. Barnwell County School District may raise its millage by two mills or less over the millage levied for the previous year, in addition to any millage needed to adjust for the Education Finance Act inflation factor, and sufficient to meet the requirements of Section 59-21-1030 (level of financial effort per pupil required for each school district). Any increase above the two mill increase for operations may be levied only after a majority of the registered electors of the new consolidated district vote in favor of a millage increase in a referendum called by the district school board and conducted by the county board of voter registration and elections. If the referendum is to be held at any time other than the general election, then the school district is required to pay the cost of the referendum. If these provisions conflict with the provisions of Section 6-1-320, relating to millage rate increase limitations, the provisions of Section 6-1-320 control.

Effective Date: April 25, 2023

SALES AND USE TAXES

House Bill 3800 (Act No. 45)

Sales Tax Exemption – Durable Medical Equipment

The sales tax exemption in Section 12-36-2120(74) is amended to apply to all providers who hold a South Carolina retail license. Previously, the exemption only applied to providers whose principal place of business was in South Carolina. In *Orthofix, Inc. v. South Carolina Department of Revenue* and *KCI USA Inc., v. South Carolina Department of Revenue*, 443 S.C. 138, 903 S.E.2d 496 (2024), the South Carolina Supreme Court held the previous version of the exemption discriminated against interstate commerce and was unconstitutional.

The definition of durable medical equipment and related supplies in the exemption is amended to clarify that it is as defined under federal and state Medicaid *or* Medicare laws.

Effective Date: May 12, 2025

REENACTED TEMPORARY PROVISOS

The following temporary provisos were enacted in a prior legislative session and were reenacted by the General Assembly in 2025. Temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

House Bill 4025, Part IB, Section 44, Proviso 44.10 (Act No. 69)

South Carolina Agriculture Tax Exemption Card (SCATE Card) – Fee Authorized for Card

The agricultural exemption certificate (Form ST-8F) used by farmers to purchase certain items (e.g., farm machinery, fertilizer, feed, containers) exempt from the sales and use tax has been replaced by a South Carolina Agriculture Tax Exemption (“SCATE”) card issued by the South Carolina Department of Agriculture. The Department of Agriculture began accepting applications and issuing SCATE cards in February 2022. These cards replaced the agricultural exemption certificate effective July 1, 2022. To obtain a SCATE card, a farmer must apply with the Department of Agriculture at [SCATEcard.com](https://www.scdag.com/SCATEcard).

This temporary proviso authorizes the Department of Agriculture to charge up to \$24 for a three-year SCATE card. This provision also authorizes the Department of Agriculture to charge \$5 for any replacement SCATE cards.

House Bill 4025, Part IB, Section 88, Proviso 88.5 (Act No. 69)

Navy Base Intermodal Facility – Distribution Facility Eligibility

This temporary proviso provides that the Navy Base Intermodal Facility owned by the State Ports Authority shall be considered a distribution facility for the purpose of sales and use tax exemptions associated with the purchase of equipment and construction materials.

House Bill 4025, Part IB, Section 117, Proviso 117.138 (Act No. 69)

Agribusiness Facilities – Material Handling and Construction Material Exemptions

This temporary proviso provides that material handling and construction materials for agribusiness facilities that invest at least \$100 million in South Carolina are exempt from state and local sales taxes.

The exemptions implicated by this proviso are in Sections 12-36-2120(51) and 12-36-2120(67). See SC Revenue Ruling #15-2, “Construction Material Exemption for Manufacturing and Distribution Facilities” and SC Revenue Ruling #13-3, “Material Handling Systems and Material Handling Equipment.”

House Bill 4025, Part IB, Section 117, Proviso 117.36 (Act No. 69)

Private Schools – Use Tax Exemption

This temporary proviso exempts purchases of tangible personal property for use in private primary and secondary schools, including kindergarten and early childhood education programs, from the use tax if the school is exempt from income taxes under IRC Section 501(c)(3). This exemption does not apply to purchases subject to sales tax. This use tax exemption is applicable to purchases occurring after 1995; however, no refund is due any taxpayer on purchases exempted by this provision. See SC Regulation 117-334 for information as to which tax, the sales tax or the use tax, applies when goods are shipped into South Carolina.

House Bill 4025, Part IB, Section 117, Proviso 117.54 (Act No. 69)

Respiratory Syncytial Virus Medicines Exemption – Effective Date

Act No. 69, Section 3.PP, of 2003 amended Section 12-36-2120(28)(a) to add an exemption for prescription medicines used to prevent respiratory syncytial virus effective for sales on or after June 18, 2003. This temporary proviso changes the effective date of this exemption to January 1, 1999 and provides that no refund of sales and use taxes may be claimed as a result of this change in the effective date.

House Bill 4025, Part IB, Section 117, Proviso 117.58 (Act No. 69)

Viscosupplementation Therapies – Sales and Use Tax Suspended

For this State fiscal year, sales and use taxes on viscosupplementation therapies are suspended. No refund or forgiveness of tax may be claimed as a result of this provision.

House Bill 4025, Part IB, Section 109, Proviso 109.16 (Act No. 69)

Farm Fuels – Sales Tax Exemption

This temporary proviso provides that, for the current fiscal year, chemicals and oils including, but not limited to, grease, lubricants, and coolants used in an exempt farm machine that are essential to the functioning of the exempt machine are exempt fuels used in farm machinery and farm tractors.

House Bill 4025, Part IB, Section 117, Proviso 117.168 (Act No. 69)

Festival Craftsmen – Not Making Sales at Retail

This temporary proviso provides that, in the current fiscal year, a person including, but not limited to, an artist, craft person, or hobbyist, is not engaged in business or making sales at resale if he/she makes sales no more than four times in the fiscal year at a fair, festival, carnival, or event that operates for a period of less than 12 consecutive days. This proviso does not apply to persons who are engaged in the business of making sales at retail for which they are required to obtain a license.

MISCELLANEOUS (Summarized by Subject Matter)

MISCELLANEOUS TAX LEGISLATION

House Bill 4187 (Act No. 89)

Lexington County School District Sales and Use Tax - Extension

In the 2004 general election, the qualified electors residing in Lexington County approved a referendum imposing a 1% Sales and Use Tax within Lexington County. The tax was originally authorized under Act No. 378 of 2004, the Lexington County School District Property Tax Relief Act (the Act) and became effective on March 1, 2005. Section 3(A) of the Act provides that the tax is imposed for seven years, but it may be reimposed or extended by the General Assembly. Act No. 88 of 2011 extended the tax for an additional seven years beginning March 1, 2012, the day after the original seven-year period expired. Act No. 278 of 2018 extended the tax for an additional seven years beginning March 1, 2019, the day after the second seven-year period expired.

This Act extends the tax for an additional seven years beginning March 1, 2026, the day after the third seven-year period expires.

The tax is administered and collected by the Department in the same manner that other sales and use taxes are collected. It is in addition to all other local sales and use taxes and applies to the gross proceeds of sales in Lexington County that are subject to the tax imposed by Chapter 36, Title 12, and the collection and enforcement provisions of Chapter 54, Title 12. The gross proceeds of the sale of unprepared food that may lawfully be purchased with food stamps and items subject to a maximum tax are exempt from this tax.

Effective Date: April 28, 2025

Senate Bill 171 (Act No. 33)

Used Tire Fees

Section 44-96-170(N)(1) requires a \$2 fee for tires sold with a Department of Transportation number to the ultimate consumer, whether or not the tire is mounted by the seller. This Section is amended to provide that the \$2 fee applies to both new and used tires and also to all unmounted tire sales.

The wholesaler or retailer receiving new tires from unlicensed wholesalers is responsible for paying the fee. Section 44-96-170(N)(7) is amended to define a tire wholesaler as any person who sells or offers to sell new or used tires or tubes to tire retailers or other volume buyers for passenger and commercial vehicles to retailers. A tire wholesaler does not engage in retail sales.

The fee is not collected on farm or agricultural tires, including tires designed for use in the production of farm products. Farm products as defined in Section 46-1-75(E)(1) include horticultural, aquacultural, viticultural, forestry, floricultural, dairy, livestock, poultry, bee, and other products ordinarily produced on farms.

The Department of Revenue administers, collects, and enforces the tire recycling fee in the same manner that sales and use taxes are collected. The fee is remitted monthly. Taxpayers may no longer retain 3% of the total fees collected as an administrative collection allowance.

Effective Date: May 12, 2025

House Bill 3430, Section 3 (Act No. 42)

Alcohol Server Training

Title 61 is amended to add Chapter 3, Alcohol Server Training. Under Section 61-3-110, an alcohol server or manager must complete alcohol server training and obtain an alcohol server certificate. If an alcohol server or manager does not have a current alcohol server certificate at the time of employment in that capacity, then the licensee or permittee must provide alcohol server training within 30 calendar days of employment. An alcohol server shall not be mentally or physically impaired or intoxicated by alcohol, drugs, or controlled substances while serving alcohol on behalf of the licensee. Section 61-3-110(A).

“Alcohol server” means an individual who sells alcohol for on-premises consumption at permitted or licensed premises and may include a permittee, licensee, manager, or other employee of a permittee or licensee. It does not include an individual employed or volunteering on a temporary basis for a one-time special event or an event with a temporary permit to sell beer, wine, or alcoholic liquors by the drink. It also does not include an individual transferring alcohol from one location to another as a distributor, wholesaler, or as otherwise lawfully authorized to transfer alcohol from one location to another, and it does not include an individual who cannot lawfully serve or deliver alcohol under Sections 61-4-90(D) and 61-6-2200. Section 61-3-100(2).

The permittee or licensee must have physical or electronic copies of all alcohol server certificates for its managers and alcohol servers for the duration of employment. Copies of alcohol server certificates must be on the permitted and licensed premises and must be made available, upon request, to the Department. The permittee or licensee must also provide, when requested, the date a manager or alcohol server began employment in that capacity. A permittee or licensee will be excused for failure to produce the alcohol server certificate if the provider failed to report the successful completion of training and testing or the Department failed to issue a certificate to an applicant who met the training requirements. Section 61-3-110(B).

The Department will approve alcohol server training programs offered by providers that are based on best evidence practice standards. The Department may collaborate with the Department of Behavioral Health and Developmental Disabilities, Office of Substance Abuse (DBHDD) and with the South Carolina Law Enforcement Division (SLED) to determine appropriate providers. The

Department will approve or deny a program within 60 days of the provider's application. Providers may appeal a denial pursuant to Section 61-2-260 and the South Carolina Administrative Procedures Act. Section 61-3-120(A)(1).

Providers may charge a fee of up to \$50 per participant to any licensee, permittee, or individual seeking training for the purpose of employment as an alcohol server. Section 61-3-120(A)(2).

As provided in Section 61-3-120(B), the alcohol server training program curricula must include state laws and regulations pertaining to:

1. the sale and service of alcoholic beverages;
2. the permitting and licensing of sellers of alcoholic beverages;
3. impaired driving or driving under the influence of alcohol or drugs;
4. liquor liability issues;
5. the carrying of concealed weapons by authorized permit holders into businesses selling and serving alcoholic beverages; and
6. life consequences, such as loss of education scholarships, to minors relating to the unlawful use, transfer, or sale of alcoholic beverages.

Training must also include the effect alcohol has on the body and human behavior; information on blood alcohol concentration and factors that change or alter blood alcohol concentration; the effect alcohol has on an individual when taken in combination with commonly used prescription or nonprescription drugs or with illegal drugs; information on recognizing the signs of intoxication and methods for preventing intoxication; methods of recognizing problem drinkers and techniques for intervening with and refusing to serve problem drinkers; methods of identifying and refusing to serve or sell alcoholic beverages to individuals under age 21 and intoxicated individuals; methods for properly and effectively checking the identification of an individual, for identifying illegal identification, and for handling situations involving individuals who have provided illegal identification; and South Carolina law enforcement information including the most recently published official statistics on drunk driving accidents, injuries, and deaths in South Carolina.

The Department may collaborate with DBHDD and SLED to designate any other topics to be included in the alcohol server education and training.

Online training programs must cover the required content in a way that clearly identifies and focuses on the knowledge, skills, and abilities needed to responsibly serve alcoholic beverages and must be developed using best practices in instructional design and exam development to ensure the program is fair and legally defensible. Programs offered online must be at least four hours, must be available in English and Spanish, and must include a test. Training and testing must be conducted online and tests must be monitored by an online proctor. Online or computer based programs must use linear navigation that requires the completion of a module before the course proceeds to the next module, with no content omitted, must be interactive, must have audio for content, and must include a test. A passing grade is required for a test, as provided by the program. Providers may issue training certificates only after completion of the training and successful passage of a test. Section 61-3-120(C).

Providers must give the Department a report of all individuals who completed the training and testing within 10 days after completion of the training. The provider must also maintain records for at least five years following the end of the training program for purposes of verifying certification validity by the Department or SLED. Section 61-3-120(D).

The Department, in collaboration with DBHDD and SLED, may suspend or revoke a provider's authorization if the Department determines the provider has violated the program requirements. A provider whose authorization is suspended or revoked must cease operations in the state immediately and refund any money paid to it by individuals enrolled in the program at the time of the suspension or revocation. Section 61-3-120(E).

The Department will issue an alcohol server certificate to each applicant who completes an approved program or recertification program and completes the application form available on the Department's website. An individual must apply for an alcohol server certificate within six months of completing a program. If circumstances warrant, the Department may issue a temporary alcohol server certificate valid for a period of no more than 30 calendar days. Section 61-3-130(A)(1).

The Department may issue an alcohol server certificate to an individual from outside of South Carolina who applies for a certificate if they have an alcohol server certificate from a nationally recognized or comparable state recognized alcohol server certification program that the Department, DBHDD, and SLED find meets or exceeds the programs offered in South Carolina. Section 61-3-130(A)(2).

The Department will not charge a fee to issue and renew alcohol server certificates to qualifying applicants. Section 61-3-130(F). An applicant will be deemed to be a qualifying applicant for the purpose of alcohol server certificate issuance and renewal if they have successfully completed all training and testing requirements found in Section 61-3-120. Section 61-3-130(G).

Alcohol server certificates will not be issued to graduates of programs that are not approved by the Department. Section 61-3-130(B). The certificate is the property of the individual to whom it is issued and is transferrable among employers. If an individual leaves the employment of the licensee or permittee within six months of the issuance of a certificate, the individual must reimburse the licensee or permittee that paid for the cost of the alcohol server training. Section 61-3-130(C).

Alcohol server certificates are valid for three years from the date the certificate was issued. After three years, individuals must obtain a new or recertified alcohol server certificate. Section 61-3-130(D).

The Department and SLED are responsible for enforcing the alcohol server training requirements. The Department is responsible for bringing administrative actions for violations of the provisions of Title 61, Chapter 3 or related regulations according to the provisions of Section 61-2-260 and the South Carolina Administrative Procedures Act.

Effective Date: January 1, 2026

House Bill 3430, Section 4 (Act No. 42)

Penalties for Prohibited Acts Relating to the Sale of Beer or Wine

In addition to civil liability as provided by law, a violation of any of the prohibited acts found in Section 61-4-580 is ground for the revocation or suspension of the holder's permit. Section 61-4-580(B) is amended to provide the following penalties for a permittee or licensee who violates any of the provisions of Section 61-4-580:

1. for a first offense, a fine of \$2,500;
2. for a second offense within two years of the first offense, suspension of the alcohol license or permit for up to 14 days, as determined by the Department; and
3. for a third offense within three years of the first offense, revocation of the alcohol license or permit.

Effective Date: January 1, 2026

House Bill 3430, Section 5 (Act No. 42)

Sale of Beer or Wine at Collegiate Sporting Venues

Section 61-4-523 is added to prohibit the sale of beer and wine at certain collegiate sporting venues unless the permit holder:

1. requires all sales personnel to complete mandatory alcohol server training approved by the Department;
2. utilizes internal, random checks of sales locations during an event of sufficient frequency to reasonably determine that sales procedures and identification verification procedures comply with established protocol;
3. utilizes forensic digital identification systems, or other means acceptable to the Department, to verify the authenticity of identification at the point of sale;
4. prohibits sales of beer and wine in student sections with designated concession areas; and
5. prohibits sales of beer and wine to customers presenting vertical identification cards.

The Department will develop and implement an alternate revenue and penalty structure for collegiate sporting venues by August 31, 2025. The alternate revenue and penalty structure will recognize the unique characteristics of collegiate sporting venues, including but not limited to the number of sales locations within the venue, sales volume and number of patrons served per event held at the venue, number of sales personnel necessary to staff sales locations within the venue, and frequency of events held at the venue during which sales of beer and wine occur. These factors and the preventative measures taken by the venue will be considered when assessing administrative penalties in the event violations occur and may reduce any administrative penalty when the Department finds the permit holder acted in good faith to prevent a violation. The Department will

determine the seating capacity necessary for a collegiate sporting venue to be subject to the alternate revenue procedure and penalty structure.

Effective Date: May 12, 2025

House Bill 3430, Section 8 (Act No. 42)

Liquor Liability Risk Mitigation

A person licensed or permitted to sell alcoholic beverages for on-premises consumption, which remains open after 5:00 p.m. to sell alcoholic beverages for on-premises consumption is required to maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement for a total coverage of at least \$1,000,000. Section 61-2-145 is amended to add subsection (E) providing terms for liquor liability risk mitigation programs that enable licensees or permittees to reduce their annual aggregate limit of liquor liability insurance coverage.

A licensee or permittee who stops serving alcohol by 12:00 a.m. for the entire policy period may reduce the annual aggregate limit by \$250,000.

A licensee or permittee may reduce the required annual aggregate by \$100,000 per item if they:

1. have all employees who serve alcohol complete an alcohol training course pursuant to Title 61, Chapter 3, within 60 days of employment in that capacity;
2. have less than 40% of total sales deriving from alcohol sales; or
3. use a forensic digital identification system that validates the identification of any person attempting to enter the premises between the hours of 12:00 a.m. and 4:00 a.m.

A licensee or permittee who is a nonprofit organization exempt from tax pursuant to IRC Section 501(c)(3) or is engaging in a single event for which a Beer and Wine Special Event License or Liquor Special Event Permit is obtained may reduce the annual aggregate limit by \$500,000.

A licensee who meets the requirements of the above listed items will receive the permitted reduction in the required annual aggregate limit for each item complied with, but any person licensed or permitted to sell alcoholic beverages for on-premises consumption which remains open after 5:00 p.m. to sell alcoholic beverages for on-premises consumption must at all times maintain coverage with an annual aggregate limit of at least \$300,000 during the entire period of the biennial permit or license.

Insurance policies must provide for minimum coverage of at least 50% of the total aggregate limit, per occurrence, giving rise to the claim. Section 61-2-145(A).

The liquor liability insurance requirements are included on all applications and renewals for biennial permits or licenses to sell alcoholic beverages for on-premises consumption when the permittees and licensees remain open and sell alcoholic beverages for on-premises consumption after 5:00 p.m. Each applicant or person renewing its license or permit who is subject to the liquor

liability insurance requirements provides the Department with documentation of a liquor liability insurance policy or general liability insurance policy with a liquor liability endorsement in the required amounts. Section 61-2-145(B).

Failure to maintain the required liquor liability insurance coverage during the entire period of the biennial permit or license constitutes grounds for suspension or revocation of the permit or license and is sufficient grounds for the Department to seek an emergency revocation order as provided in Sections 12-60-1340 and 1-23-370(c).

Insurers must notify the Department within 30 days of any lapse or termination of the liquor liability insurance policy or general liability insurance policy with a liquor liability endorsement. Section 61-2-145(C).

Insurers must establish liquor liability mitigation measures and offer reasonable premium discounts for compliance with measures that reduce the risk to the general public associated with the service of on-premises consumption of alcohol. Section 61-2-145(E)(7).

All permittees and licensees selling alcoholic beverages for on-premises consumption at any time between the hours of 12:00 a.m. and 4:00 a.m. shall use a forensic digital identification system that validates the identification of any person attempting to enter the premises as a patron. Section 61-2-145(F).

Effective Date: January 1, 2026

NEW TEMPORARY PROVISOS

The following new temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

House Bill 4025, Part IB, Section 49, Proviso 49.24 (Act No. 69)

Local Film Carry Forward

This temporary proviso provides that, for the fiscal year 2025-26, up to \$2,000,000 of carried forward funds that were authorized or appropriated to the Department of Parks, Recreation, and Tourism for the South Carolina Film Commission will be used to create a pilot program for certain qualifying entities to receive a state rebate for 25% of production costs, including wages and supplies. The Department of Revenue and the South Carolina Film Commission will audit qualifying projects with a budget between \$250,000 and \$999,999. To qualify, a producer must be registered with both the South Carolina Secretary of State and the Department of Revenue, and must be a primary resident of South Carolina with a minimum of two years of residency in the state. All production activity must be physically in South Carolina. All producers' personal and corporate income taxes must be current. The applicant must disclose the fiduciarily responsible parties with existing production, production funds must be in a separate account and used exclusively for the

production, and the production must have full funding prior to producing. The qualifying production must include a five-second long static or animated official FilmSC logo in the end credits before the below-the-line crew call for the life of the project and a link to filmsc.com on the productions web page.

Production-based activity must begin within 60 calendar days of application approval. Once an application is approved, the project must be completed and funds expended within three years of approval date. The final rebate will be distributed to the production company on record.

REENACTED TEMPORARY PROVISOS

The following temporary provisos were enacted in a prior legislative session and were reenacted by the General Assembly in 2025. Temporary provisos are effective for the State fiscal year July 1, 2025 through June 30, 2026, and will expire June 30, 2026, unless reenacted by the General Assembly in the next legislative session.

ADMINISTRATIVE and PROCEDURAL MATTERS

House Bill 4025, Part IB, Sections 41 and 117, Provisos 41.2 and 117.81 (Act No. 69)

3% Reduction on Interest Rate on Tax Refunds

The interest rate for tax refunds paid is reduced by 3% as follows:

1. Temporary Proviso 41.2 decreases by 2% the interest rate for tax refunds paid during the current fiscal year. The revenue resulting from this 2% reduction must be used for operations of the State's Guardian ad Litem Program.
2. Temporary Proviso 117.81 decreases by 1% the interest rate for tax refunds paid during the current fiscal year. Of the revenue resulting from this 1% reduction, \$475,000 must be used by the Senate for operating expenses of the Joint Citizens and Legislative Committee on Children. The remaining revenue must be used by the Department of Juvenile Justice for programs for mentoring or other alternatives to incarceration.

House Bill 4025, Part IB, Section 109, Proviso 109.12 (Act No. 69)

Certain License or Permit Applications – Electronic Filing Option under Penalties of Perjury

This temporary proviso provides that the Department may require a statement subject to penalties of perjury instead of a statement under oath for the purpose of allowing certain applications for licenses or permits to be filed electronically.

House Bill 4025, Part IB, Section 109, Proviso 109.13 (Act No. 69)

Advance Referendum Notification by Election Commission to SCDOR

This temporary proviso provides that a county or municipal election commission must notify the Department 60 days prior to a referendum on the imposition of a local sales tax or local option permit.

House Bill 4025, Part IB, Section 109, Proviso 109.6 (Act No. 69)

Voluntary Website Posting of Tax Return Information for Candidates and Gubernatorial Appointees

This temporary proviso requires the Department to develop a program to process inquiries from a candidate for an office in South Carolina or its political subdivisions, or any gubernatorial appointee, concerning that candidate's or appointee's state income tax filings. Upon request by the candidate or appointee in connection with his own income tax return, the Department must determine if the candidate or appointee has filed his annual state income tax returns for the past ten years, paid all income taxes due during that time period, and, if applicable, satisfied all judgments, liens, or other penalties for failure to pay income taxes when due.

Unless the candidate or appointee requests otherwise, the following information will be posted on the Department's website:

1. The candidate's or appointee's name;
2. The years that the candidate or appointee was required to file income tax returns during the last ten years and any years that he was not required to file income tax returns;
3. Whether the candidate or appointee filed income tax returns in each of the ten years that he was required to file an income tax return;
4. Whether the candidate or appointee paid income taxes due each year that he was required to file an income tax return; and
5. Whether the candidate or appointee had a judgment, lien, or other penalty levied against him for failure to pay income taxes when due; the year of any levy; and whether the judgment, lien or other penalty has been satisfied.

A candidate's or appointee's inquiry constitutes a waiver of confidentiality with the Department concerning the information posted. The Department may not post complete income tax returns.

MISCELLANEOUS TAX LEGISLATION

House Bill 4025, Part IB, Section 1, Proviso 1.12 (Act No. 69)

Local Government School Buses – Motor Fuel User Fee Exemption

This temporary proviso provides that motor fuel used in school buses operated by school districts, other governmental agencies, and head start agencies for purposes of transporting students for school or school-related activities is exempt from the State motor fuel user fee.

Note: Motor fuel used in school buses owned by the State is exempt from the State motor fuel user fee under Section 12-28-710(12).

House Bill 4025, Part IB, Section 118, Proviso 118.7 (Act No. 69)

Admissions Tax Rebate – Motorsports, Tennis, and Soccer Facilities

This temporary proviso provides that up to \$114,000 in admissions tax revenue collected annually from all events held at a NASCAR sanctioned motor speedway or racetrack that hosts at least one race each year featuring the preeminent NASCAR cup series must be rebated to the motorsports entertainment complex facility in the current fiscal year to keep a NASCAR race at the facility. In addition, any sports facility that either hosts at least one preeminent Women's Tennis Association-sanctioned tournament or that operates as the home venue for a professional soccer team participating in the United Soccer Leagues, second division or higher, must be rebated half of the facility's admissions tax revenue for the fiscal year and used by that facility for marketing the events held at the facility.

House Bill 4025, Part IB, Section 33, Proviso 33.10 (Act No. 69)

Nursing Home Bed Franchise Fee – Suspension

This temporary proviso continues to suspend the nursing home bed franchise fee imposed on February 1, 2002, but subsequently suspended July 1, 2002.

House Bill 4025, Part IB, Section 117, Proviso 117.162 (Act No. 69)

Athletic Admissions Tax Revenue

This temporary proviso provides that for the current fiscal year, admissions tax revenue from admissions to an athletic event of an accredited college or university shall be remitted to the Department. The Department shall then allocate the same amount to the college or university to be limited exclusively to supporting the college or university's student-athletes through student aid, scholarships, and/or related financial support.

LIST OF TEMPORARY PROVISOS

Temporary provisos were enacted as part of the 2025 annual budget – House Bill 4025, Part IB (Act No. 69). They are effective only for the current State fiscal year (July 1, 2025 – June 30, 2026). They expire on June 30, 2026, unless reenacted by the General Assembly. A brief summary of the provisos can be found in this publication under the applicable subject matter categories.

The list is divided by subject matter with the provisos in numeric order.

NEW PROVISOS

Income Taxes

Proviso 109.17 Emergency Commodity Assistance Program
Proviso 117.208 Tax Rate

Property Taxes

Proviso 117.202 Political Subdivision Reimbursement

Miscellaneous Taxes

Proviso 49.24 Local Film Carry Forward

REENACTED PROVISOS

Income Taxes

Proviso 1A.9 Teaching Supplies and Materials – Reimbursement Amount Not Taxable or Refundable Income Tax Credit
Proviso 1A.10 Teacher of the Year Awards – Not Subject to South Carolina Income Tax
Proviso 50.23 Job Development Tax Credit Program
Proviso 63.9 Governor’s Law Enforcement Officer of the Year Awards – Not Subject to South Carolina Income Tax
Proviso 73.8 SC Broadband Office and SC Digital Opportunity
Proviso 109.15 Income Tax Withholding at Highest Individual Income Tax Rate
Proviso 117.111 Retail Facilities Revitalization Act – Repeal of Act Suspended
Proviso 117.163 Abandoned Textile Mills Credit – Effective Date of Notice of Intent to Rehabilitate
Proviso 118.10 Consumer Protection Services – Individual Income Tax Deduction

Property Taxes

- Proviso 1.38 Index of Taxpaying Ability – Imputed Value for Owner-Occupied Residential Property
- Proviso 92D.1 Improvements to Property Damaged by Catastrophic Weather Event – Time for Improvements for Eligible Events
- Proviso 109.11 Notification of Protest to Affected County and School District
- Proviso 109.14 Manufacturing Property Tax Reduction Disallowed – Utilities
- Proviso 113.6 Agricultural Use Exemption for Timberland – Impact of Additional County Requirements
- Proviso 117.37 Personal Property Tax Relief Fund
- Proviso 117.111 Retail Facilities Revitalization Act – Repeal of Act Suspended
- Proviso 117.160 Millage Calculation – Adjustments for 2020 Census

Sales and Use Taxes

- Proviso 44.10 South Carolina Agriculture Tax Exemption Card (SCATE Card) – Fee Authorized for Card
- Proviso 88.5 Navy Base Intermodal Facility – Distribution Facility Eligibility
- Proviso 109.16 Farm Fuels – Sales Tax Exemption
- Proviso 117.36 Private Schools – Use Tax Exemption
- Proviso 117.54 Respiratory Syncytial Virus Medicines Exemption – Effective Date
- Proviso 117.58 Viscosupplementation Therapies – Sales and Use Tax Suspended
- Proviso 117.138 Agribusiness Facilities – Material Handling and Construction Material Exemptions
- Proviso 117.168 Festival Craftsmen – Not Making Sales at Retail

Miscellaneous (Administrative and Procedural Matters, and Miscellaneous Taxes)

Administrative and Procedural Matters:

- Provisos 41.2 and 117.81 3% Reduction on Interest Rate on Tax Refunds
- Proviso 109.6 Voluntary Website Posting of Tax Return Information for Candidates and Gubernatorial Appointees
- Proviso 109.12 Certain License or Permit Applications – Electronic Filing Option under Penalties of Perjury
- Proviso 109.13 Advance Referendum Notification by Election Commission to SCDOR

Miscellaneous Taxes:

- Proviso 1.12 Local Government School Buses – Motor Fuel User Fee Exemption
- Proviso 33.10 Nursing Home Bed Franchise Fee – Suspension
- Proviso 117.162 Athletic Admissions Tax Revenue
- Proviso 118.7 Admissions Tax Rebate – Motorsports, Tennis, and Soccer Facilities