**A** **BILL**

TO AMEND SECTION 12‑6‑1140, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DEDUCTIONS FROM SOUTH CAROLINA TAXABLE INCOME OF INDIVIDUALS FOR PURPOSES OF THE SOUTH CAROLINA INCOME TAX ACT, SO AS TO ALLOW A DEDUCTION FOR MILITARY PAY AND ALLOWANCES OF A RESIDENT OF THIS STATE ON ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES, AND TO PHASE IN THE DEDUCTION OVER FOUR YEARS.

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

SECTION 1. A. Section 12‑6‑1140 of the 1976 Code, as last amended by Act 134 of 2014, is further amended by adding an appropriately numbered item at the end to read:

“( ) active duty military pay and allowances received by a resident taxpayer who is a member of the armed forces of the United States on active duty.”

B. Notwithstanding the deduction allowed pursuant to the unnumbered item added pursuant to subsection A of this section, the deduction is phased‑in in four equal and cumulative percentage installment amounts of twenty-five percent applicable for tax years beginning after 2014.

SECTION 2. This act takes effect upon approval by the Governor and first applies in tax years beginning after 2014.

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