**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4210**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Cobb-Hunter and Jefferson

Companion/Similar bill(s): 692

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Introduced in the House on March 29, 2023

Currently residing in the House

Summary: State employee retirement deduction

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/29/2023 House Introduced and read first time (House Journal‑page 69)

 3/29/2023 House Referred to Committee on **Ways and Means** (House Journal‑page 69)

 1/30/2024 House Member(s) request name added as sponsor: Jefferson

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**VERSIONS OF THIS BILL**

[03/29/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4210_20230329.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12‑6‑1172 SO AS TO EXEMPT THE RETIREMENT INCOME of QUALIFYING RETIRED STATE EMPLOYEES; AND BY AMENDING SECTION 12‑6‑1170, RELATING TO THE RETIREMENT INCOME DEDUCTION, SO AS TO MAKE CONFORMING CHANGES.

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

SECTION 1. Article 9, Chapter 6, Title 12 of the S.C. Code is amended by adding:

 Section 12‑6‑1172. A. (A) As used in this section:

 (1) "Retirement income" means the total of all otherwise taxable income not subject to a penalty for premature distribution received by the taxpayer or the taxpayer's surviving spouse in a taxable year from a South Carolina retirement plan enumerated in Title 9. For purposes of a surviving spouse, “retirement income” also includes a retirement benefit plan and dependent indemnity compensation related to the deceased spouse's state service.

 (2) "State employee" means a person who retired from employment with the State of South Carolina after having been employed by the State of South Carolina for at least twenty‑eight years.

 (B) Beginning in the tax year in which a taxpayer reaches age sixty-five an individual taxpayer who has state employee retirement income, each year may deduct all state employee retirement income that is included in South Carolina taxable income.

 (C) A surviving spouse receiving state employee retirement income that is attributable to the deceased spouse shall apply this deduction in the same manner that the deduction applied to the deceased spouse.

 (D) The department may require the taxpayer to provide information necessary for proper administration of this section.

B. Section 12‑6‑1170(C) of the S.C. Code is amended to read:

 (C)(1) Notwithstanding any other provision of this section, if a taxpayer claims a deduction pursuant to Section 12‑6‑1171 or Section 12‑6‑1172, then the deduction allowed by this section must be reduced by the cumulative amount the taxpayer deducts pursuant to Section 12‑6‑1171 or Section 12‑6‑1172; however, this subsection does not apply if the deduction claimed pursuant to Section 12‑6‑1171 or Section 12‑6‑1172 is claimed by a surviving spouse.

 (2) In the case of married taxpayers who file a joint federal income tax return, the reduction required by item (1) applies to each individual separately, so that the reduction only applies to the amount the individual claiming the deduction pursuant to Section 12‑6‑1171 or Section 12‑6‑1172 otherwise could have claimed pursuant to this section if the individual had not filed a joint return.

SECTION 2. This act takes effect upon approval by the Governor and first applies to tax years beginning after 2022.

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