~~Indicates Matter Stricken~~

Indicates New Matter

INTRODUCED

March 20, 2013

**S. 261**

Introduced by Senators Leatherman, Setzler, Ford and Campsen

S. Printed 3/20/13--H.

Read the first time March 20, 2013.

**A** **BILL**

TO AMEND SECTION 12‑6‑40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE APPLICATION OF THE INTERNAL REVENUE CODE TO STATE INCOME TAX LAWS, SO AS TO UPDATE THE REFERENCE TO THE INTERNAL REVENUE CODE TO JANUARY 2, 2013, AND TO DELETE AN INAPPLICABLE SUBITEM.

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

SECTION 1. Section 12‑6‑40(A)(1)(a) of the 1976 Code, as last amended by Act 126 of 2012, is further amended to read:

“(a) Except as otherwise provided, ‘Internal Revenue Code’ means the Internal Revenue Code of 1986, as amended through ~~December 31, 2011~~ January 2, 2013, and includes the effective date provisions contained in it.”

SECTION 2. Section 12‑6‑40(A)(1) of the 1976 Code, as last amended by Act 126 of 2012, is amended by deleting subitem (c) which reads:

“(c) For Internal Revenue Code sections adopted by the State which expired or portions thereof expired on December 31, 2011, or January 1, 2012, in the event any of these expired sections or portions thereof are extended, but otherwise not amended, by the federal government during 2012, these sections or portions thereof also will be extended for South Carolina income tax purposes in the same manner that they are extended for federal income tax purposes.”

SECTION 3. A. Section 12‑6‑50 of the 1976 Code, as last amended by Act 126 of 2012, is further amended by adding appropriately numbered items to read:

“( ) Section 68 relating to the reduction on itemized deductions and Section 151(d)(3) relating to the reduction on the personal exemption for:

(a) a joint return or surviving spouse with an adjusted gross income exceeding three hundred thousand dollars or the same adjusted gross income adjusted for inflation pursuant to Section 68, whichever is higher;

(b) a head of household with an adjusted gross income exceeding two hundred seventy‑five thousand dollars or the same adjusted gross income adjusted for inflation pursuant to Section 68, whichever is higher; and

(c) an individual who is not married and who is not a surviving spouse or head of household with an adjusted gross income exceeding two hundred fifty thousand dollars or the same adjusted gross income adjusted for inflation pursuant to Section 68, whichever is higher.”

B. From existing funds, the Department of Revenue shall create and distribute the forms and worksheets necessary to aid taxpayers in utilizing the provisions of this SECTION.

SECTION 4. This act takes effect upon approval by the Governor.

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