**South Carolina General Assembly**

126th Session, 2025-2026

**H. 3417**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Kilmartin and Pope

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Prefiled in the House on December 5, 2024

Currently residing in the House Committee on **Ways and Means**

Summary: Income tax deduction

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/5/2024 House Prefiled

12/5/2024 House Referred to Committee on **Ways and Means**

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**VERSIONS OF THIS BILL**

[12/05/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/3417_20241205.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 TEACHERS; AND BY AMENDING SECTION 12‑6‑1170, RELATING TO 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) 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 any state retirement plan or a private pension plan. 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) “Teacher” means a person teaching in this State in a public or private K‑12 school.

(B) An individual taxpayer, who served as a teacher, each year may deduct all state employee or private pension plan retirement income that is included in South Carolina taxable income.

SECTION 2. 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 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 3. This act takes effect upon approval by the Governor and first applies to tax years beginning after 2025.

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