**South Carolina General Assembly**

126th Session, 2025-2026

**H. 3773**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. B. Newton

Document Path: LC-0178SA25.docx

Introduced in the House on January 16, 2025

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

Summary: License Fee on Corporations

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/16/2025 House Introduced and read first time ([House Journal‑page 719](h:\hj\20250116.docx))

1/16/2025 House Referred to Committee on **Ways and Means** ([House Journal‑page 719](h:\hj\20250116.docx))

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=3773&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[01/16/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3773_20250116.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑20‑50, RELATING TO THE IMPOSITION OF LICENSE TAXES ON CORPORATIONS, SO AS TO PROVIDE THAT THE FEE DOES NOT APPLY TO ANY PORTION OF THE FIRST FIFTY MILLION DOLLARS OF CERTAIN CAPITAL STOCK AND PAID‑IN OR CAPITAL SURPLUS; AND BY AMENDING SECTION 33‑44‑409, RELATING TO STANDARDS OF CONDUCT, SO AS TO PROVIDE AN EXCEPTION TO REFRAINING FROM COMPETING.

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

SECTION 1. Section 12‑20‑50 of the S.C. Code is amended by adding:

(D)(1) A corporation subject to the provisions of this section whose corporate headquarters, as defined in Section 12‑6‑3410, and principal place of business, as defined in Section 12‑6‑30, are in South Carolina may exclude the first fifty million dollars of equity contributions from a qualifying entity from its paid‑in or capital surplus subject to the annual license fee. To qualify for this exclusion, the corporation must obtain a certificate from the South Carolina Research Authority certifying that the exclusions result from equity contributions from a qualifying entity.

(2) For purposes of this subsection, a qualifying entity includes:

(a) a venture capital fund as defined pursuant to 17 C.F.R. Section 275.203(1) 1;

(b) an angel or accredited investor, as defined pursuant to 17 C.F.R. Section 230.501; and

(c) a private investment firm that does not solicit capital from investors, excluding another qualifying entity or the general public, and meets one of the exemptions outlined in the Investment Company Act of 1940.

(3) A corporation claiming this exclusion must:

(a) submit an annual report to the department that contains the name of each qualifying entity, the date of the equity contribution, the manner in which the qualifying entity meets the requirements of item (2), the amount of the paid‑in or capital surplus for each year that is attributable to each qualifying entity, and any other information that the department may require; and

(b) keep detailed books and records, including segregating out equity contributions attributable to each qualifying entity and retaining information concerning the information required to be provided in subitem (a).

SECTION 2. Section 33‑44‑409(b)(3) of the S.C. Code is amended to read:

(3) to refrain from competing with the company in the conduct of the company’s business before the dissolution of the company. This item does not apply when a member is also a member of another LLC and there is not an enforceable noncompete provision in the operating agreement.

SECTION 3. This act takes effect upon approval by the Governor and first applies to the tax year beginning after July 1, 2025.

‑‑‑‑XX‑‑‑‑