**South Carolina General Assembly**

126th Session, 2025-2026

**H. 4015**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Henderson-Myers, Hosey, McDaniel, J.L. Johnson, Govan, Clyburn, Spann-Wilder, Garvin, Gilliard, Jones, Alexander, Anderson, J. Moore and Rutherford

Companion/Similar bill(s): 47

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Introduced in the House on February 13, 2025

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

Summary: Childcare

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/13/2025 House Introduced and read first time ([House Journal‑page 47](h:\hj\20250213.docx))

2/13/2025 House Referred to Committee on **Ways and Means** ([House Journal‑page 47](h:\hj\20250213.docx))

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4015&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[02/13/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/4015_20250213.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑6‑3440, RELATING TO THE TAX CREDIT FOR EMPLOYEE CHILDCARE PROGRAMS, SO AS TO INCREASE THE MAXIMUM CREDIT AND TO ALLOW THE CREDIT TO BE APPLIED AGAINST OTHER TAXES; AND BY ADDING SECTION 12‑6‑3595 SO AS TO ALLOW A TAX CREDIT FOR INDIVIDUAL TAXPAYERS THAT ARE EMPLOYED FULL TIME AS A CHILDCARE DIRECTOR OR CHILDCARE STAFF PERSON.

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

SECTION 1. Section 12‑6‑3440(A), (C), and (D) of the S.C. Code is amended to read:

Section 12‑6‑3440. (A) A taxpayer who employs persons who are residents of this State in any capacity may claim a credit against its state income tax, bank tax, or premium tax, license tax, or withholding tax liability an amount equal to fifty percent of its capital expenditures in this State but no more than one hundred thousand million dollars for costs incurred in establishing a child care program for its employees’ children.

(C)(1) The taxpayer under subsection (A) is allowed as a credit against his state income tax, bank tax, or premium tax, license tax, or withholding tax liability an amount not exceeding fifty percent of the child care payments incurred by the taxpayer to operate a child care program for his employees in this State, or made directly to licensed or registered independent child care facilities in the name of and for the benefit of an employee in this State of the taxpayer, which employee’s children are kept at the facility during the employee’s working hours. The payment may not exceed the amount charged to other children of like age and abilities of individuals not employed by the taxpayer. In addition, a taxpayer is allowed to include in the amount of the payment for calculation of the credit any administrative cost associated with payment to licensed or registered independent child care facilities not to exceed two percent. The credits allowed may not exceed three twelve thousand dollars per child for each participating employee a year.

(2) Where an employee in this State chooses to utilize the provisions of this subsection which authorize direct payments to licensed child care facilities not operated by the employer and licensed or registered with the Department of Social Services in accordance with Section 63‑13‑20, expenses incurred in organizing and administering the direct payment program in the first year are also considered start‑up expenses or expenditures for establishing a child care program and qualify for credit allowed by subsection (A).

(3) For purposes of the credits allowed by this subsection, the taxpayer is required to retain information concerning the child care facility’s federal identification number, license or registration number, payment amount, and in whose name and for whose benefit the payments were made.

(D) The credits established by this section taken in any one tax year are also limited to an amount not greater than fifty percent of a taxpayer’s state income tax, bank tax, or premium tax, license tax, or withholding tax liability for that year.

SECTION 2.A. Article 25, Chapter 6, Title 12 of the S.C. Code is amended by adding:

Section 12‑6‑3595. (A)(1) There is allowed a refundable income tax credit to any resident individual taxpayer that is employed full time as a childcare director or childcare staff person at a facility that is licensed or registered with the Department of Social Services in accordance with Section 63‑13‑20. The amount of the credit equals the amount set forth in subsection (B) based upon the qualifications of the person.

(2) The Department of Social Services shall assist the Department of Revenue in administering the credit. The Department of Social Services shall determine qualifications eligibility in accordance with the state practitioner registry. Both departments may adopt rules and promulgate regulations necessary to implement the provisions of this section.

(B) Childcare Director and Childcare Staff Qualification Tax Credit

Level Four Director or Level Four Staff $3,000

Level Three Director or Level Three Staff $2,500

Level Two Director or Level Two Staff $2,000

Level One Director or Level One Staff $1,500

B. Unless reauthorized by the General Assembly this section is repealed after December 31, 2030.

SECTION 3. This act takes effect upon approval by the Governor and first applies to tax years beginning after 2024.

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