**South Carolina General Assembly**

126th Session, 2025-2026

**H. 4089**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Martin

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Introduced in the House on February 25, 2025

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

Summary: Boosting Opportunities for Small Startups Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/25/2025 House Introduced and read first time ([House Journal‑page 22](h:\hj\20250225.docx))

2/25/2025 House Referred to Committee on **Ways and Means** ([House Journal‑page 22](h:\hj\20250225.docx))

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**VERSIONS OF THIS BILL**

[02/25/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/4089_20250225.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ENACTING THE “BOOSTING OPPORTUNITIES FOR SMALL STARTUPS (BOSS) ACT” BY ADDING SECTION 12‑6‑532 SO AS TO PROVIDE FOR CERTAIN EXEMPTIONS FROM THE CORPORATE INCOME TAX FOR CERTAIN SMALL BUSINESSES.

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

SECTION 1. This act may be cited as the “Boosting Opportunities for Small Startups (BOSS) Act.”

SECTION 2. Article 5, Chapter 6, Title 12 of the S.C. Code is amended by adding:

Section 12‑6‑532. (A) As used in this section:

(1) “Startup” means a newly established business entity that has been in operation for no more than twenty‑four months from the date of incorporation or registration within this State.

(2) “Small business” means a business entity that:

(a) employs no more than fifty full‑time employees at the time of registration; and

(b) generates less than three million dollars in gross annual revenue.

(3) “Eligible business” means any startup or small business that meets the qualifications outlined in subsection (B).

(4) “Corporate tax liability” means the amount of corporate income tax a business is obligated to remit pursuant to Section 12‑6‑530.

(B) To qualify for the provisions in subsection (C), a business must:

(1) be a newly established entity incorporated or registered within this State by January 1, 2027;

(2) operate as a legal entity pursuant to state law;

(3) generate annual gross revenue of less than three million dollars during the first two years of operation;

(4) employ fewer than fifty full‑time employees at the time of registration;

(5) not be a subsidiary, affiliate, or joint venture of an established company with existing operations in this State; and

(6) submit annual reports demonstrating eligibility, including proof of employment levels, revenue, and business operations.

(C)(1) An eligible business is exempt from the state corporate income tax imposed pursuant to Section 12‑6‑530 for the first two income tax years beginning in the tax year after its incorporation or registration. An eligible business shall continue to meet the eligibility requirements throughout the first two income tax years to remain exempt.

(2) An eligible business is liable for the state corporate income tax imposed pursuant to Section 12‑6‑530 in the following amounts:

(a) in the third year of operation, twenty‑five percent of the state corporate income tax rate;

(b) in the fourth year of operation, fifty percent of the state corporate income tax rate;

(c) in the fifth year, seventy‑five percent of the state corporate income tax rate; and

(d) in all years after the fifth year, one hundred percent of the state corporate income tax rate.

(D)(1) A business found to be abusing or misrepresenting its status to qualify for the provision of subsection (C) is subject to the following penalties:

(a) immediate termination of the benefits provided in subsection (C);

(b) full repayment of any tax benefits received, plus interest and penalties; and

(c) ineligibility for any future state tax relief programs for a period of ten years.

(2) The following entities are explicitly excluded from provisions of subsection (C):

(a) a business that was previously registered or operational under a different name or entity;

(b) a company that transfers assets to a newly formed entity in order to qualify for the provisions of subsection (C); and

(c) a large corporation establishing subsidiaries or spin‑offs to exploit the provisions of subsection (C).

(E) The Department of Revenue, in conjunction with the Department of Economic Development, shall submit a report to the General Assembly evaluating the effectiveness of this section no later than January 1, 2035. The report must include the number of businesses that have taken advantage of the provisions of subsection (C), the impact on job creation and economic growth, and recommendations for extending, amending, or terminating this section.

SECTION 3. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 4. This act takes effect upon approval by the Governor and applies to all businesses incorporated or registered in this State before January 1, 2027. This act shall remain in effect for a period of ten years after which it is subject to review.

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