**South Carolina General Assembly**

126th Session, 2025-2026

**S. 424**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Davis

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Introduced in the Senate on March 5, 2025

Currently residing in the Senate Committee on **Finance**

Summary: Charity care deduction

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/5/2025 Senate Introduced and read first time (Senate Journal‑page 18)

 3/5/2025 Senate Referred to Committee on **Finance** (Senate Journal‑page 18)

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**VERSIONS OF THIS BILL**

[03/05/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/424_20250305.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12‑6‑1180 SO AS TO ALLOW AN INCOME TAX DEDUCTION FOR QUALIFIED CHARITY CARE PROVIDED BY A PHYSICIAN.

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 12‑6‑1180. (A) For the purposes of this section:

 (1) “Physician” means a doctor of medicine or doctor of osteopathic medicine licensed by the South Carolina Board of Medical Examiners.

 (2) “Physician’s services” means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls. Physician’s services do not include an intern or a resident in training under a teaching program approved by the Council on Medical Education of the American Medical Association or, in the case of an osteopathic hospital, approved by the Committee on Hospitals of the Bureau of Professional Education of the American Osteopathic Association, or, in the case of services in a hospital or osteopathic hospital by an intern or resident in training in the field of dentistry, approved by the Council on Dental Education of the American Dental Association, or in the case of services in a hospital or osteopathic hospital by an intern or resident in training in the field of podiatry, approved by the Council on Podiatric Medical Education of the American Podiatric Medical Association.

 (3) “Qualified charity care” means physicians’ services provided on a volunteer or pro bono basis through a qualifying arrangement.

 (4) “Qualifying arrangement” means an agreement or contract to provide physicians’ services on a volunteer or pro bono basis that is entered into:

 (a) between a physician and a healthcare clinic or other charitable nonprofit organization whose primary purpose is providing healthcare on a pro bono basis that is targeted to serve underserved or low‑income individuals; and

 (b) before the date that the services are provided.

 (B) A physician who provides qualified charity care is allowed as a deduction from South Carolina taxable income for an amount equal to the amount that the physician would have otherwise charged for the qualified charity care provided by the physician. The deduction must be claimed in the taxable year in which the physician provides the qualified charity care.

 (C)(1) The amount determined pursuant to subsection (B) with respect to any qualified charity care shall not exceed the Medicare Economic Index applicable to the services provided. In the case of physicians’ services to which the Medicare Economic Index is not applicable, the Department of Health and Human Services shall use data on uncompensated care for purposes of the limitation under subsection (B) and may adjust such data so as to be an appropriate proxy, including a downward adjustment to eliminate bad‑debt data from uncompensated‑care data.

 (2) The amount allowed as a deduction pursuant to subsection (B) for any taxable year shall not exceed an amount equal to:

 (a) ten percent of the gross income of the taxpayer for the taxable year derived from the taxpayer’s provision of physicians’ services; or

 (b) in the case of a physician who does not have income for the taxable year derived from the provision of physicians’ services, ten thousand dollars.

 (3) Physicians’ services shall not be treated as qualified charity care if a physician receives any reimbursement, including payment at a partial or discounted rate, for such services.

SECTION 2. This act takes effect upon approval by the Governor and first applies to income tax years beginning after 2024.

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