**South Carolina General Assembly**

126th Session, 2025-2026

**H. 4245**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Jones, Gilliard and Grant

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Introduced in the House on March 27, 2025

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

Summary: Workforce Advancement and Taxpayer Reinvestment Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

3/27/2025 House Introduced and read first time ([House Journal‑page 12](h:\hj\20250327.docx))

3/27/2025 House Referred to Committee on **Ways and Means** ([House Journal‑page 12](h:\hj\20250327.docx))

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4245&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[03/27/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/4245_20250327.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS by enacting the “south carolina workforce advancement and taxpayer reinvestment act” BY ADDING ARTICLE 43 TO CHAPTER 6, TITLE 12 SO AS TO PROVIDE TAX RELIEF FOR SOUTH CAROLINIANS WHO TRANSITION FROM GOVERNMENT ASSISTANCE TO SELF‑SUFFICIENCY THROUGH EDUCATION AND EMPLOYMENT AND TO INCENTIVIZE BUSINESSES THAT HIRE AND RETAIN THESE INDIVIDUALS, REINFORCING A FREE‑MARKET APPROACH TO ECONOMIC MOBILITY AND REDUCING LONG‑TERM GOVERNMENT DEPENDENCE.

Whereas, this legislation aligns with conservative, free‑market principles by;

(1) returning tax dollars to hardworking South Carolinians who achieve self‑sufficiency;

(2) reducing dependency on governmental assistance and limiting the size of government;

(3) encouraging work and personal responsibility, ensuring that incentives are tied to economic productivity;

(4) empowering South Carolina‑based businesses without excessive government mandates;

(5) promoting fiscal responsibility by preventing long‑term entitlement expansion and reducing governmental expenditures; and

(6) supporting South Carolina’s economy by requiring that all educational and vocational training institutions be based in the State, reinforcing workforce development within South Carolina’s borders; and

Whereas, this legislation is not a handout, it is a hand‑up, rewarding those who take personal initiative and contribute to South Carolina’s economy. By reducing governmental dependence and promoting private‑sector growth, this policy represents a sustainable, conservative approach to economic mobility; and

Whereas, this legislation does not increase taxes or create new entitlement programs; instead, it reallocates existing workforce development funds; and

Whereas, by encouraging individuals to transition off of governmental assistance, the State will reduce entitlement spending over time, ensuring taxpayer money is reinvested into economic growth. A sunset provision is included, requiring the program to be reevaluated after five years to assess economic impact and effectiveness. Now, therefore,

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

SECTION 1. The purpose of this act is to:

(1) return tax dollars to hardworking South Carolinians who transition from governmental assistance to gainful employment;

(2) encourage workforce participation and personal responsibility through a limited, time‑bound tax incentive;

(3) reduce long‑term governmental dependency, reinforcing South Carolina’s commitment to free‑market solutions;

(4) empower South Carolina‑based businesses to hire and retain employees without unnecessary governmental intervention; and

(5) lower government spending over time by incentivizing work and decreasing reliance on entitlement programs.

SECTION 2. This act may be cited as the “South Carolina Workforce Advancement and Taxpayer Reinvestment Act.”

SECTION 3. Chapter 6, Title 12 of the S.C. Code is amended by adding:

Article 43

Workforce Advancement and Taxpayer Reinvestment

Section 12‑6‑5800. (A) A South Carolina resident is eligible for a temporary state income tax exemption if he:

(1) has previously received any form of governmental assistance including, but not limited to:

(a) Supplemental Nutrition Assistance Program (SNAP);

(b) Temporary Assistance for Needy Families (TANF); or

(c) Housing Choice Voucher Program (Section 8);

(2) successfully completes a vocational certification, associate’s degree, or workforce training program from an accredited institution located in South Carolina; and

(3) secures full‑time employment with an annual salary exceeding one hundred fifty percent of the federal poverty level or at least ten percent above the area median income, whichever is greater.

(B)(1) An eligible individual shall receive a one hundred percent exemption from South Carolina state income tax for one year after securing qualifying employment.

(2) If the individual remains employed for a second consecutive year, he shall receive a fifty percent exemption on his state income taxes for that income tax year.

(3) If the individual remains employed for a third consecutive year, he will receive a twenty‑five precent exemption on his state income taxes for that income tax year.

(4) This incentive is not renewable beyond three years, ensuring it remains a temporary benefit that encourages financial independence rather than prolonged reliance on governmental programs.

(C)(1) Individuals who voluntarily leave employment without securing another qualifying job within ninety days forfeit any remaining tax benefits.

(2) No additional state‑funded benefits, such as housing or food assistance, may be provided concurrently with this tax relief to avoid double‑dipping into taxpayer funds.

Section 12‑6‑5810. (A) Any South Carolina business that hires and retains an eligible individual for at least three consecutive years shall receive a one‑time, per‑employee state income tax credit of up to five thousand dollars upon completion of the third year.

(B) Businesses with fewer than one hundred employees are eligible for an additional two thousand five‑hundred‑dollar credit per qualifying employee to encourage hiring in locally owned, community‑driven businesses.

(C)(1) Employers shall provide payroll records and employment verification to the department to ensure compliance.

(2) The department shall oversee this program to prevent fraud, misuse, or exploitation of tax benefits.

SECTION 4. This act shall take effect July 1, 2025, and is subject to review in July 2030 to determine its long‑term fiscal impact.

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