

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 17, 2010 (Revised)
Bill Number: H.B. 4479
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Committee Requesting Impact: House Ways & Means Committee

Bill Summary

A bill to amend Section 12-6-1140, as amended, of the Code of Laws of South Carolina, 1976, relating to deductions from South Carolina taxable income of individuals for purposes of the South Carolina Income Tax Act, so as to include detention officers and telecommunications personnel within the category of law enforcement officers eligible to claim the eight dollars a day subsistence allowance deduction for law enforcement officers, fire fighters, and emergency medical service personnel.

REVENUE IMPACT ^{1/}

This bill would reduce state General Fund individual income tax revenue by an estimated \$170,172 in FY2010-11.

Explanation

This bill would amend Section 12-6-1140(6) to include detention officers and telecommunications personnel certified in those positions by the South Carolina Criminal Justice Academy within the category of law enforcement officers eligible to deduct a daily subsistence allowance of eight dollars per day. Pursuant to Section 12-6-1140(6), each federal, state, and local law enforcement officer, full-time firefighter, and emergency medical service technician may deduct a subsistence allowance of five dollars a day for each regular work day in a taxable year. Proviso 36.14 of the FY2005-06 Appropriations Act increased the daily subsistence allowance from five dollars per day to \$6.67 per day in a taxable year, and again, Proviso 36.14 of the FY2006-07 Appropriations Act increased the daily subsistence allowance from \$6.67 per day to \$8.00 per day in a taxable year. These changes to the daily subsistence allowance were codified into permanent law in Act 353 of 2008. Based upon information from officials with the South Carolina Criminal Justice Academy, this bill would add 1,467 telecommunications personnel (911 officers and dispatchers) certified in these positions to those taxpayers currently eligible for the state income tax deduction. The average, full-time individual works 250 days each year (2000 hours divided by 8 hour days). Multiplying 1,467 telecommunications personnel by the number of days worked and a daily subsistence allowance of \$8.00 per day, and applying an average marginal tax rate of 5.8 percent would reduce General Fund individual income tax revenue by an estimated \$170,172 in FY2010-11.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.