

Income/Franchise:

South Carolina: New Law Updates State Conformity to Internal Revenue Code

H.B. 5057, signed by gov. 5/16/22. Effective immediately, new law generally updates corporate and personal income tax statutory references to the Internal Revenue Code (IRC), referring to the federal law in effect as amended through December 31, 2021 (previously December 31, 2020) and “includes the effective date provisions contained in it.” The new law additionally provides that if IRC sections adopted by South Carolina which expired or portions thereof expired on December 31, 2021, are extended, but otherwise not amended, by US Congressional enactment during 2022, “these sections or portions thereof also are extended for South Carolina income tax purposes in the same manner that they are extended for federal income tax purposes.” The legislation specifically provides that for tax year 2021, South Carolina adopts the federal exclusion from gross income for targeted “Economic Injury Disaster Loan” advances received from the Small Business Administration (SBA) and the federal exclusion from gross income for restaurant revitalization grant amounts received from the SBA as provided in Sections 9672 and 9673 of the federal American Rescue Plan Act (*i.e.*, P.L. 117-2). Please contact us with any questions.

URL: https://www.scstatehouse.gov/sess124_2021-2022/bills/5057.htm

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