



South Carolina

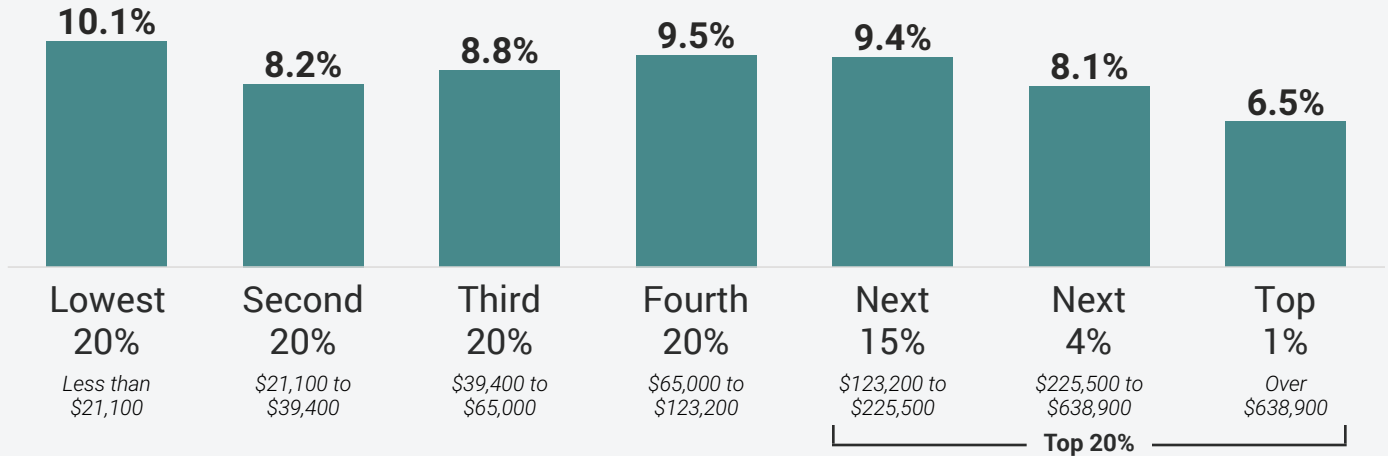
State and local tax shares of family income

Total Taxes

Share of family income

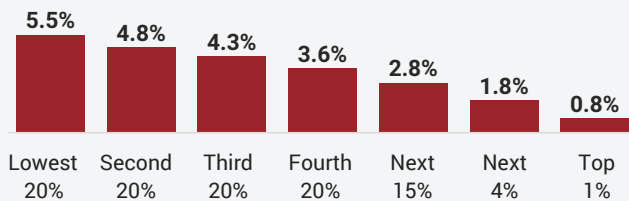


REGRESSIVE



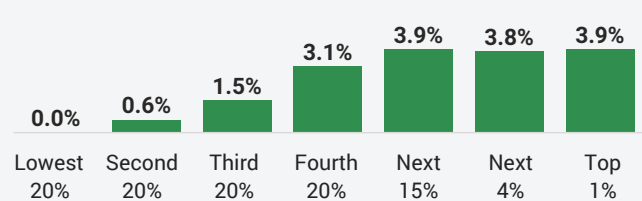
Sales & Excise Taxes

Share of family income



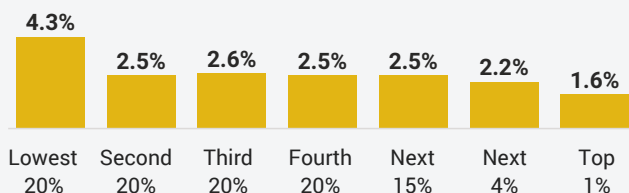
Personal Income Taxes

Share of family income



Property Taxes

Share of family income








Note: All figures and charts show 2024 tax law in South Carolina, presented at 2023 income levels. Senior taxpayers are excluded for reasons detailed in the methodology. Our analysis includes nearly all (99.8 percent) state and local tax revenue collected in South Carolina. These figures depict South Carolina's top income tax rate at its current level of 6.4 percent. That rate is set to decrease to 6 percent when revenue conditions are met. As seen in Appendix E, this will decrease the top fifth's overall tax rate by 0.2 percentage points.

South Carolina

State and local tax (cont.)

Individual figures may not sum to totals due to rounding.

Income Group	Top 20%						
	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$21,100	\$21,100 to \$39,400	\$39,400 to \$65,000	\$65,000 to \$123,200	\$123,200 to \$225,500	\$225,500 to \$638,900	Over \$638,900
Average Income in Group	\$12,400	\$30,900	\$51,600	\$91,400	\$155,200	\$338,000	\$1,496,500
 Sales & Excise Taxes	5.5%	4.8%	4.3%	3.6%	2.8%	1.8%	0.8%
General Sales—Individuals	3.3%	3.1%	2.9%	2.4%	1.9%	1.1%	0.4%
Other Sales & Excise—Ind.	1.4%	1.0%	0.7%	0.6%	0.4%	0.2%	0.1%
Sales & Excise—Business	0.8%	0.8%	0.7%	0.6%	0.6%	0.5%	0.3%
 Property Taxes	4.3%	2.5%	2.6%	2.5%	2.5%	2.2%	1.6%
Home, Rent, Car—Individuals	3.7%	1.9%	2.1%	1.9%	1.8%	1.4%	0.5%
Other Property Taxes	0.6%	0.6%	0.6%	0.6%	0.6%	0.8%	1.1%
 Income Taxes	0.1%	0.7%	1.6%	3.2%	3.9%	3.9%	4.0%
Personal Income Taxes	0.0%	0.6%	1.5%	3.1%	3.9%	3.8%	3.9%
Corporate Income Taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
 Other Taxes	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%
 TOTAL TAXES	10.1%	8.2%	8.8%	9.5%	9.4%	8.1%	6.5%

ITEP Tax Inequality Index

ITEP's Tax Inequality Index measures the effects of each state's tax system on income inequality. **According to this measure, South Carolina has the 33rd most regressive state and local tax system in the country.** Income disparities are larger in South Carolina after state and local taxes are collected than before. (See Appendix B for state-by-state rankings and the report methodology for additional detail.)

Tax features driving the data in South Carolina

PROGRESSIVE



Provides an Earned Income Tax Credit (EITC)

Graduated personal income tax structure, though top rate kicks in at \$17,350 so a large share of families face top rate

Levies a business franchise tax

Sales tax base excludes groceries

REGRESSIVE



Provides an income tax deduction equal to 44 percent of capital gains income

No refundable income tax credits to offset sales, excise, and property taxes

Earned Income Tax Credit (EITC) is nonrefundable and limited in its reach

Real estate transfer tax does not include higher rate on high-value sales

Allows lower personal income tax rates for pass-through business income

Does not use combined reporting as part of its corporate income tax

Does not levy a tax on estates or inheritances