

From: Soura, Christian  
To: Stirling, Bryan <BryanStirling@gov.sc.gov>  
Date: 1/25/2013 11:38:08 AM  
Subject: S 261

---

S.261 is Sen. Leatherman's bill to keep us conformed to the federal tax code. There's a similar bill each year to make a handful of changes that keep us coupled with the feds. The difference this year is that, partially because of the fiscal cliff deal, there's a \$3.1 million net increase in taxes for the state General Fund under this bill.

It's not a good veto candidate because doing a partial decoupling in that way would create all kinds of administrative and compliance problems in both the public and private sectors.

I have the BEA scoring an amendment to this bill that would make it revenue-neutral by lowering the 7% bracket to whatever level has that effect. I expect that it'll come back as a very small change, but a change nonetheless. Like 6.996% or something.

I should also say that for a variety of technical reasons that I won't bother covering here, it wouldn't be a direct dollar-for-dollar offset for each affected person. There'd be a fair amount of overlap in terms of who the unamended S.261 would hurt and who the amended S.261 would benefit, though.

CLS

Christian L. Soura  
Deputy Chief of Staff

(803) 543-0792  
ChristianSoura@gov.sc.gov