



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC INFORMATION LETTER #20-34

SUBJECT: Charitable Deduction for Individuals Claiming the Standard Deduction for Tax Year 2020 as Provided in the Federal CARES Act (Individual Income Tax)

DATE: December 16, 2020

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (2005)
S.C. Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

FEDERAL CHARITABLE DEDUCTION – TAX YEAR 2020 SPECIAL PROVISION

On March 27, 2020 Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)¹ in response to the COVID-19 pandemic. As part of the relief provided, up to a \$300 federal income tax deduction is allowed for charitable donations made in 2020 for individuals who claim the standard deduction.² To be eligible, the contribution is required to be made in cash to a qualifying charitable organization.

SOUTH CAROLINA TAX TREATMENT – FOR TAX YEAR 2020

During the 2020 Legislative Session, South Carolina conformed to the Internal Revenue Code as of December 31, 2019,³ but did not conform to the federal CARES Act enacted by Congress in March 2020. Accordingly, there is no South Carolina charitable contribution deduction for an individual who claims the standard deduction in tax year 2020. Any federal charitable contribution deduction allowed for federal income tax purposes by an individual who claims the standard deduction is disallowed for South Carolina income tax purposes and must be treated as an addition to South Carolina taxable income on the 2020 South Carolina individual income tax return.

Note: If the South Carolina General Assembly conforms to this provision of the CARES Act in the upcoming 2021 Legislative Session, South Carolina would retroactively conform and allow individuals this charitable deduction.

¹ Public Law 116-136, March 27, 2020.

² See Section 2204 of the CARES Act.

³ Act No. 147, signed by the Governor on September 28, 2020.