



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** H. 4962 Introduced on February 20, 2018  
**Author:** Sandifer  
**Subject:** Retaliatory Taxes  
**Requestor:** Senate Banking and Insurance  
**RFA Analyst(s):** Gable  
**Impact Date:** April 9, 2018

**Estimate of Fiscal Impact**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill would have no impact to the retaliatory tax revenue in the General Fund as no title insurance company, subject to retaliatory taxes in South Carolina, is expected to modify their reporting of premiums for tax purposes as a result of this bill.

**Explanation of Fiscal Impact**

**Introduced on February 20, 2018**

**State Expenditure**

N/A

**State Revenue**

This bill clarifies that title insurers only may include the title insurers' portion of the premium, not the agents' portion, for retaliatory tax computation. The retaliatory tax is the tax imposed by South Carolina above the state tax rate on a foreign insurance company that equals the amount of taxes charged by the home state of the foreign company on a South Carolina based insurance company so that the insurance company may operate within that state. This clarification ensures that all title insurers are reporting only their portion of the premiums in the retaliatory tax on the worksheets. This bill may have a positive impact for South Carolina title insurers subject to retaliatory taxes in other states because these insurers may currently be including both the title insurer's portion and the agent's portion of premiums.

According to the Department of Insurance, in TYs 2016 and 2017 only two title insurers remitted retaliatory taxes and neither company wrote any premiums for purposes of retaliatory tax

computation. Therefore, this bill is not expected to have an impact on retaliatory tax revenue in the General Fund.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director