SOUTH CAROLINA
MANUFACTURERS
+ COMMERCE

THE STATE'S CHAMBER

2026 LEGISLATIVE REPORT

Delivering Results for the Business Community

SOUTH CAROLINA
MANUFACTURERS
+ COMMERCE

THE STATE'S CHAMBER

Dear SCMC Members,

As we close the books on the 2026 legislative session, there is much to be proud of.

This year marked the first legislative session for South Carolina Manufacturers and Commerce. While our organization may be new, this year's results demonstrated the power of South Carolina's business community coming together to speak with one unified voice.

At the start of the year, we released our five pillars, an ambitious legislative agenda focused on economic prosperity, infrastructure, workforce development, legal reform, and reducing barriers to doing business. Thanks to the engagement of our members and the leadership of the General Assembly who understand the importance of a strong business climate, we delivered results across each of these priorities.

From income tax reform and regulatory reform to infrastructure improvements, manufacturing property tax relief, and small business tax relief, this session produced significant victories. Just as importantly, we successfully opposed proposals that would have hamstrung businesses by making it harder to invest, create jobs, and compete.

These victories didn't happen by accident – they happened because our members spoke up. Throughout the year, members engaged with elected officials, participated in events like Business Speaks and Small Business Day, responded to calls to action, shared their expertise, and helped us tell the story of how good, pro-business policy makes our whole state stronger.

While we celebrate this year's success, our work is far from finished. South Carolina's future depends on building on this momentum. We are already working to identify priorities for next year, and we look forward to engaging you on them.

As always, thank you for your partnership. Together, we will continue to advance policies that ensure South Carolina remains a place where businesses thrive.

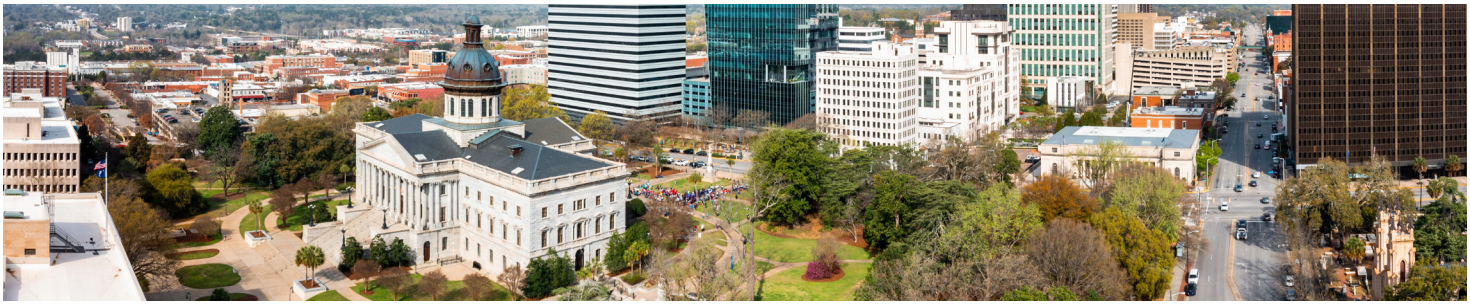
Sincerely,

Sara Hazzard

SARA HAZZARD
President & CEO

TABLE OF CONTENTS

UNLEASHING ECONOMIC OPPORTUNITY THROUGH PRO-GROWTH POLICIES..3
STRENGTHENING SOUTH CAROLINA'S INFRASTRUCTURE.....4
INVESTING IN TODAY'S TALENT, TOMORROW'S LEADERS.....4
OTHER NOTABLE BILLS ENACTED.....5
DEFENSIVE ISSUES.....5
LEGISLATION LEFT ON THE TABLE.....7



2026 LEGISLATIVE AGENDA

Five Pillars. One Voice.

UNLEASH ECONOMIC OPPORTUNITY BY PASSING PRO-GROWTH POLICIES	STRENGTHEN SOUTH CAROLINA'S INFRASTRUCTURE	INVEST IN TODAY'S TALENT, TOMORROW'S LEADERS	BOOST SOUTH CAROLINA'S COMPETITIVENESS THROUGH LEGAL REFORM	EMPOWER BUSINESSES TO DO BUSINESS
We can unleash a new era of economic opportunity in our state – building on the achievements of the last decade – by pursuing pro-growth policies such as reducing the income tax, raising the manufacturing property tax exemption cap, reducing the personal property tax burden on small businesses and entrepreneurs, and eliminating cumbersome regulations.	Even as South Carolina continues to bolster its infrastructure, we have to plan for future growth. To that end, we will improve critical systems – from roads and bridges to ports and rail – to support manufacturing and business, expand broadband access, and ensure companies have access to affordable, available and reliable energy solutions.	Investing in our worldclass workforce means lifting up today's talent and tomorrow's leaders. In doing so, we will remove barriers to workforce participation, address workforce shortages, enhance workforce training opportunities and identify the next generation of talent by bridging the gap between education stakeholders and the business community.	The economic development environment is best set for growth when the legal system is fair, just and predictable. Last year, we took a step forward with legal reform. Now is the time to take additional steps – working with lawmakers and the governor – to ensure the legal system is fairer and more predictable for businesses and families.	We must protect South Carolina's employment-at-will doctrine and right-to-work status and make sure private sector employers can run their businesses without interference from government overreach.

2026 LEGISLATION

Delivering Results for the Business Community

Note: This report was updated on August 17, 2026 following final enactment of the FY 2026–2027 state budget to include budget-related investments and appropriations that are business community priorities.

UNLEASHING ECONOMIC OPPORTUNITY THROUGH PRO-GROWTH POLICIES

H.4216/Act No. 110 - Income Tax Reform

This SCMC priority modernizes our tax system, strengthens our competitiveness, and helps make South Carolina more affordable for families and businesses by:

- Cutting the top individual income tax rate from 6.0% to 5.21%, with triggers to lower it another 0.2% annually if state revenue grows by at least 5%.
- Shifting the tax base from Federal Taxable Income to Adjusted Gross Income (AGI).
- Collapsing three brackets into two: 5.21% on AGI above $30,000; 1.99% on AGI below $30,000.

All told, the act will reduce income taxes by $325 million in year one.

S.439/Act No. 122 – Manufacturing Property Tax Relief

This SCMC priority raises the manufacturing property tax exemption cap established in the Comprehensive Tax Cut Act of 2022 from $170 million to $300 million. The original cap helped reduce the manufacturing property tax rate from 9% to 6%, provided county revenue losses did not exceed $170 million. Increasing the cap ensures small and mid-sized manufacturers are not subjected to property tax increases in the coming years.

S.688/Act No. 243 – Small Business Tax Cut of 2026/ Unemployment Insurance Tax Reform

This SCMC priority exempts the first $10,000 of a small business's personal property (BPP) from county taxation, eases compliance burdens, and effectively eliminates the tax altogether for small businesses with less than $10,000 in BPP.

It also modifies the unemployment insurance (UI) tax system by adjusting the benefit ratio lookback period from 12 to 20 weeks, reducing the solvency target for the Unemployment Trust Fund to return tax dollars back to employers, and modifying penalties for delinquent reporting to alleviate the strain on business.

H.3021/Act No. 251 - Small Business Regulatory Freedom Act

This act seeks to reduce the regulatory burden on South Carolina job creators by strengthening the state's existing regulatory review process. It adds independent oversight to ensure regulations remain within statutory authority and are not outdated, holds agencies accountable for noncompliance, and requires proposed regulations with an estimated financial impact exceeding $1 million to receive joint approval by the General Assembly. It also ends judicial deference to state agencies in legal disputes.

H.5122/Act No. 242 - Sales Tax Exemption for Broadband Equipment

This act exempts equipment and related purchases by broadband and communications service providers, when used in producing or distributing internet access and communications services, from the state sales tax.

STRENGTHENING SOUTH CAROLINA'S INFRASTRUCTURE

S.831/Act No. 177 – SCDOT Modernization

This SCMC priority modernizes the South Carolina Department of Transportation (SCDOT) and speeds up the delivery of infrastructure projects across the state. The act expands SCDOT's ability to enter public-private partnerships and broadens its tolling authority, while transferring National Environmental Policy Act (NEPA) permitting authority to SCDOT from the Federal Highway Administration to accelerate project timelines. It also strengthens oversight of county transportation committees and restructures the agency's governance — making the SCDOT Secretary a cabinet position appointed by the Governor and eliminating the SCDOT Commission effective January 1, 2027.

H.5126/Act No. 259 – Bridge Modernization and Repair Funds

Total Investment: $190 million

Included in the FY2026-27 budget is an allocation of $190 million to the South Carolina Department of Transportation (SCDOT) to modernize and repair bridges across the state to ensure South Carolina's transportation ecosystem can continue to handle the state's rapid economic and population growth and avoid future disrepair that halts the flow of goods and services across our state and region.

H.5126/Act No. 259 – Road Funding

Total Investment: $175 million

INVESTING IN TODAY'S TALENT, TOMORROW'S LEADERS

H.3863/Act No. 142 - STEM Opportunity Act

This act consolidates the state's existing STEM education organizations into a unified coalition backed by a dedicated state fund, with the goal of aligning K-12 and higher education programming with the workforce needs of South Carolina's business community.

H.5126/Act No. 259 – S.C. Workforce Industry Needs Scholarship

Total Financial Investment: $95 million

Included in the FY2026-27 budget is an allocation of $95 million to the South Carolina Technical College System for the South Carolina Workforce Industry Needs Scholarship (SCWINS). SCWINS provides students pursuing a professional certificate, industry-recognized credential (IRC), diploma, or degree in high-demand fields with a scholarship equaling the cost of tuition, fees, or expenses for required course-related materials after applying all other federal or state scholarships or grants.

OTHER NOTABLE BILLS ENACTED

S.436/Act No. 165 - Aircraft Property Tax Reduction

This act allows commercial aircraft carriers to enter into fee-in-lieu agreements (FILOTs) approved by the Coordinating Council for Economic Development.

S.853/Act No. 227 - Abandoned Buildings Tax Credit

This act clarifies eligibility rules for these tax credits in response to a S.C. Department of Revenue (DOR) ruling released earlier this year.

H.5093/Act No. 240 - Admissions Tax Exemption

This act exempts local chambers of commerce from the admissions tax.

S.893/Act No. 180 - SUPERB Law Changes

This act updates South Carolina's State Underground Petroleum Environmental Response Bank (SUPERB) Law by raising both the cleanup coverage available per site and the tank registration fees that finance the SUPERB Fund.

DEFENSIVE ISSUES

H.4293 - Local Government Zoning Determinations

This bill would have allowed local governments to immediately void permits and halt construction on a property based solely on their own determination that approvals were obtained through misrepresentation — with no required hearing or independent review before work stops. The bill did not pass the House.

S.342 – Pharmacy Reimbursement Mandates

This bill would have set minimum reimbursement rates for how pharmacy benefit managers (PBMs) pay pharmacies and pharmacists for dispensing prescription drugs or performing pharmacy services. It is estimated that the bill would have increased costs for employers by $330 million annually. The bill did not pass the Senate.

H.5572 – Forever Chemicals

This bill would have required the SC Department of Environmental Services to develop comprehensive PFAS guidelines, establishing science-based thresholds for safe and dangerous levels of PFAS compounds in drinking water, surface water, groundwater, and soil. The bill did not receive a subcommittee hearing.

S.54 – Medical Informed Consent

This bill would have prohibited employers from mandating the receipt of “novel vaccines”, “gene therapy”, or “indemnified products” as a condition of employment, entry into buildings and grounds, attendance, participation, or the purchase or receipt of any products and services offered for employees, contractors, students, and patrons. Employers who mandated the receipt of “novel vaccines”, “gene therapy”, or “indemnified products” would have been subjected to criminal and civil penalties. The bill did not pass the Senate.

H.4102 - NPDES Outlet Signs

This bill would have required all entities with a National Pollutant Discharge Elimination System (NPDES) permit to discharge effluent into state waterways, to post, and maintain, a conspicuous and legible sign at the discharge outlet. The bill did not receive a subcommittee hearing.

H.4624 – S.C. Clean Air Act

This bill would have made intentional emissions intended to affect weather, temperature, or sunlight intensity unlawful and outlined penalties for doing so. The bill did not pass the House.

LEGISLATION LEFT ON THE TABLE

With 2026 being the second year of a two-year legislative session, several pro-business bills did not make it across the finish line and will have to be reintroduced in 2027. Those include:

S.47 - Childcare Tax Credit Modernization

This bill sought to modernize the existing childcare tax credit available to South Carolina employers who offer on-site childcare or provide childcare benefits to their employees by increasing the credits and allowing the credits to be claimed against an employer's withholding taxes. The bill did not pass the Senate.

S.244 - Comprehensive Tort Reform

This bill contained additional reforms that are needed to make South Carolina's civil justice system more balanced and fairer, like closing loopholes that threaten homebuilders and medical providers, allowing seatbelt usage to be admissible as evidence in lawsuits, preventing "venue shopping" in John Doe cases, and stopping abusive time-limited settlement demands. The bill passed the Senate in 2025 but did not pass the House.

S.359/H.5243 – RetrainSC Tax Credit Expansion

These bills would have increased the job retraining credit from $1,000 to $2,000 per employee per year and eliminate restrictions on cross-training. Neither bill advanced in their respective body.

S.821 - Lawyer Advertising

This bill would have defined and prohibited false, deceptive, or misleading attorney advertising. The bill advanced in committee but did not pass the full Senate.

S.930 – Truth in Damages

This bill would have reformed how medical damages are calculated in civil lawsuits by limiting recoverable medical expenses to the actual cost of care — what was paid or reasonably expected to be paid — rather than inflated, artificial billing rates. The bill did not receive a subcommittee hearing.

S.940/H.5444 – Product Liability

These bills sought to shield distributors and retailers from liability unless directly responsible for manufacturing or modification of sold products. Neither bill advanced in their respective body.

H.3477 – Maximum Unemployment Benefits

This bill sought to accelerate the re-employment process of recently unemployed individuals across the state by indexing the duration of unemployment benefits to the unemployment rate so that in times of low unemployment, the maximum duration of benefits will be 12 weeks and in times of high unemployment, the maximum duration will be 20 weeks, ensuring that during times of low unemployment, individuals are not incentivized to stay on the sidelines and collect unemployment benefits when there are high-paying jobs going unfilled. The bill passed the House but did not pass the Senate.

H.4544 - Medical Malpractice Reforms

This bill sought to close loopholes that are causing increased financial exposure to healthcare providers in medical malpractice litigation by clarifying the circumstances where non-economic damage caps do not apply and redefining the definition of "occurrence," to treat multiple negligent acts as a single occurrence when resulting in similar harm. It would have also increased the caps under the Tort Claims Act, adjusting liability limits for claims against governmental entities in civil actions. The bill passed the House but did not pass the Senate.

H.4670 - Time-limited Settlement Demands

This bill sought to codify clear guidelines that must be met when making time-limited settlement demands in tort claims and implemented a 30-day period by which insurance carriers can tender policy limits and avoid being charged with bad faith. The bill passed the House but did not pass the Senate.

S.1008 – Negligent Security

This bill would have established a defined legal framework for negligent security claims against property owners and occupiers, assigning liability only when an owner had actual knowledge of a specific, foreseeable threat. The bill did not receive a subcommittee hearing.

H.5441 – Dram Shop Liability

This bill sought to establish dram shop liability in statute for the first time, allowing third parties injured by a visibly intoxicated person to sue the licensed alcohol seller — but only if the licensee knowingly served someone who was visibly intoxicated. The bill did not receive a subcommittee hearing.

H.5471/S.1118 – Headquarters Relocation and Growth Fund

These bills would have created the South Carolina Headquarters Relocation and Growth Fund, a dedicated grant fund to help South Carolina compete for corporate headquarters projects. Funds could be used for employee relocation, office construction, IT infrastructure, workforce training, and public infrastructure improvements directly supporting the project site. Neither bill advanced in their respective body.

We're here to help.

Please contact the SCMC Government Affairs team with any questions or concerns.

Will Frierson
VP of Government Affairs
will.frierson@myscmc.org
803.255.2558

Carter Laffitte
Government Affairs Coordinator
carter.laffitte@myscmc.org
803.734.1405