AGL FINANCIAL

Retirement, Investments & Tax Planning

SC TAX HAVEN

Reach out directly for a complimentary tax and retirement consultation. Moving from the Northeast to South Carolina (specifically Horry County) offers substantial wealth preservation advantages. Below is the breakdown across the 6 major tax categories.

THE 6 MAJOR TAX TYPES VS. COMMON NORTHEAST TRANSPLANT STATES

STATE / REGION	INCOME TAX RANK	PROPERTY TAX RANK	SALES TAX RANK	CAPITAL GAINS RANK	INHERITANCE / ESTATE RANK	VEHICLE TAX RANK	IMPLIED OUTFLOW	OVERALL RANK
South Carolina	**15**	**5**	**36**	**11**	**1**	**46**	**$15,050**	**22**
Pennsylvania	8	39	19	7	46	17	$17,232	29
Ohio	16	40	31	15	1	23	$18,634	35
Massachusetts	35	34	15	40	39	27	$19,475	36
New York	48	45	41	48	38	13	$25,339	48
New Jersey	47	50	21	47	47	30	$28,430	50

DEEP-DIVE BREAKDOWN BY TAX CATEGORY

1. Individual Income Tax
Rank: 15

- **Rate Reductions:** Top rate dropping from 6.4% to 5.21% effective March 2026.
- **Low Bracket:** First $30,000 is taxed at just 1.99%.
- **No Local Income Taxes:** Unlike PA and OH, SC bans local/municipal level income tax additions.
- **Retirement Perks:** Social Security income is 100% exempt from state taxation (unlike CT, RI, VT).

2. Property Taxes
Rank: 5

- **Exceptional Rates:** Ultra-low effective property tax rate of just 0.49%.
- **Homestead Exemption:** Property valuation drops by $50,000 for all seniors aged 65+ (SC Bill S.786).
- **The 4% vs 6% Rule:** Primary residences qualify for a 4% assessment ratio; secondary/rental properties spike to 6%.

3. Long-Term Capital Gains
Rank: 11

- **44% LTCG Deduction:** Automatically excludes 44% of gains, driving the effective top state rate down to **2.92%**.
- **Northeast Comparison:** NY hits capital gains up to 15%+, NJ ignores holding periods, and CT/MA tax it as ordinary income.

4. Estate & Inheritance Tax
Rank: 1

- **No State-Level Death Taxes:** SC imposes zero estate or inheritance tax, allowing full multigenerational wealth transfers.
- **Northeast Risk:** PA exacts a 4.5%–15% inheritance tax; NY taxes estates over $7.35M up to 16%; MA/RI trigger exemptions as low as $1.77M.

5. Sales Tax (Horry County Context)
Rank: 36

- **Rate Structure:** 6% state base rate; Horry County adds 2-3% depending on the specific municipality (8-9% combined total).
- **Exemptions:** No state sales tax on unprepped groceries or prescription medications.
- **Senior Discount:** 1% discount available at select retailers for residents over age 85.

6. Vehicle Taxes & Gas
Rank: 46

- **Personal Property Tax:** SC imposes an annual infrastructure/property tax on vehicles (2.45% base; Horry County effective rate ~1.3%).
- **Mitigation:** High-mileage vehicles can submit a deduction form to drastically drop assessed valuations.
- **Fuel:** No local fuel taxes; SC consistently ranked 12th lowest for gas prices nationwide.

CRITICAL AUDITS WARNING: ESTABLISHING LEGAL DOMICILE

Securing these tax benefits requires making a **"clean break"** from aggressive audit states like NY and PA. You must legally establish your permanent domicile by fulfilling four criteria: **(1)** Log at least 183+ physical days per year in South Carolina, **(2)** Switch your driver's license and all vehicle registrations to SC addresses, **(3)** Migrate your primary bank accounts to SC financial institutions, and **(4)** File a formal declaration of residency while completely updating your legal estate framework (wills, POAs, trusts) with an in-state attorney.

Ready to Optimize Your Wealth Migration?
Schedule a personalized asset and tax allocation analysis.

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