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REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Huggins, Simrill, G.M. Smith, Hosey & Limehouse - Staff Contact: Katie Owen)

HOUSE BILL 4942

H. 4942 -- Reps. J.E. Smith, Merrill, M.S. McLeod, Rutherford, Stavrinakis, Bernstein, Simrill, Quinn and Bingham: A BILL TO AMEND SECTION 12-6-3376, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE INCOME TAX CREDIT FOR PLUG-IN HYBRID VEHICLES, SO AS TO ADD A TAX CREDIT FOR PURE BATTERY ELECTRIC VEHICLES, TO EXTEND THE TIME THE TAX CREDIT IS ALLOWED, AND TO PROVIDE A DEFINITION.

Summary of Bill:

This bill changes provisions in relation to the income tax credit for plug-in hybrid vehicles so as to extend the credit to 2022 and to make pure electric vehicles eligible for the credit.

Introduced: 01/10/2014

Received by Ways and Means: 05/26/2015

Estimated Fiscal Impact:

PENDING

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending

Other Notes/Comments:

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South Carolina General Assembly
121st Session, 2015-2016

H. 4942

STATUS INFORMATION

General Bill

Sponsors: Reps. J.E. Smith, Merrill, M.S. McLeod, Rutherford, Stavrinakis, Bernstein, Simrill, Quinn and Bingham

Document Path: l:\council\bill\dk\3108sa15.docx

Introduced in the House on February 11, 2016

Currently residing in the House Committee on **Ways and Means**

Summary: Income Tax Credit

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
2/11/2016	House	Introduced and read first time (<u>House Journal-page 93</u>)
2/11/2016	House	Referred to Committee on Ways and Means (<u>House Journal-page 93</u>)

View the latest [legislative information](#) at the website

VERSIONS OF THIS BILL

2/11/2016

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A BILL

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TO AMEND SECTION 12-6-3376, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE INCOME TAX CREDIT FOR PLUG-IN HYBRID VEHICLES, SO AS TO ADD A TAX CREDIT FOR PURE BATTERY ELECTRIC VEHICLES, TO EXTEND THE TIME THE TAX CREDIT IS ALLOWED, AND TO PROVIDE A DEFINITION.

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Be it enacted by the General Assembly of the State of South Carolina:

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SECTION 1. Section 12-6-3376 of the 1976 Code is amended to read:

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“Section 12-6-3376. (A) For taxable years beginning in 2012 and before ~~2017~~ 2022, a taxpayer is allowed a tax credit against the income tax imposed pursuant to this chapter for the in-state purchase or lease of a new plug-in hybrid vehicle or a pure battery electric vehicle.

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(B) As used in this section:

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(1) A plug-in hybrid vehicle is a vehicle that:

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~~(1)(a)~~ shares the same benefits as an internal combustion and electric engine with an all-electric range of no less than nine miles;

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~~(2)(b)~~ has four or more wheels;

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~~(3)(c)~~ draws propulsion using a traction battery;

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~~(4)(d)~~ has at least four kilowatt hours of battery capacity;

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and

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~~(5)(e)~~ uses an external source of energy to recharge the

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battery.

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(2) A pure battery electric vehicle is a vehicle that:

1 (a) is propelled by an electric motor which draws electricity
2 from a battery which has a capacity of not less than four kilowatt
3 hours;

4 (b) is capable of being recharged from an external source
5 of electricity; and

6 (c) is procured as a battery electric vehicle from an original
7 equipment manufacturer or is converted to operate as a battery
8 electric vehicle by a third party.

9 (C) Qualified plug-in hybrid vehicles and pure battery electric
10 vehicles also must be manufactured primarily for use on public
11 streets, roads, highways, and not be classified as low or medium
12 speed vehicles. Low-speed vehicles are vehicles capable of a speed
13 of at least twenty but not more than twenty-five miles per hour, is
14 used primarily for short trips and recreational purposes, and has
15 safety equipment such as lights, reflectors, mirrors, parking brake,
16 windshield, and safety belts. Medium-speed vehicles are vehicles
17 capable of a speed of at least thirty but not more than forty-six miles
18 per hour and has safety equipment such as lights, reflectors, mirrors,
19 parking brake, windshield, and safety belts.

20 (D) The credit is equal to six hundred sixty-seven dollars, plus
21 one hundred eleven dollars if the vehicle has at least five kilowatt
22 hours of battery capacity, plus an additional one hundred eleven
23 dollars for each kilowatt hour of battery capacity in excess of five
24 kilowatt hours. The maximum credit allowed by this section is two
25 thousand dollars. The credit allowed by this section is
26 nonrefundable and if the amount of the credit exceeds the taxpayer's
27 liability for the applicable taxable year, any unused credit may be
28 carried forward for five years.

29 ~~(B)~~(E) To claim the credit allowed by this section, the taxpayer
30 must provide the department with a certification from the vehicle
31 manufacturer, or in the case of a foreign vehicle manufacturer, its
32 domestic distributor, stating that the vehicle is a qualified plug-in
33 hybrid or pure battery electric vehicle as described in subsection
34 ~~(A)~~(B), and the vehicle's number of kilowatt hours of battery
35 capacity.

36 ~~(C)~~(F) Notwithstanding the credit amount allowed pursuant to
37 this section, for a calendar year all claims made pursuant to this
38 section must not exceed two hundred thousand dollars and must
39 apply to eligible claimants on a first-come, first-served basis as
40 determined by the Department of Revenue in a manner it prescribes
41 until the total allowable credits for that calendar year are exhausted."
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1 SECTION 2. This act takes effect upon approval by the Governor
2 and applies to in-state purchases and leases made on or after the first
3 day of the calendar month beginning at least thirty days after the
4 effective date of this act.

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