**South Carolina General Assembly**

119th Session, 2011-2012

**H. 3593**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. J.E. Smith

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Introduced in the House on February 3, 2011

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

Summary: Solar liquid fuel

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/3/2011 House Introduced and read first time ([House Journal‑page 9](file:///h:\hj%20archive\2011\02-03-11.docx))

2/3/2011 House Referred to Committee on **Ways and Means** ([House Journal‑page 9](file:///h:\hj%20archive\2011\02-03-11.docx))

**VERSIONS OF THIS BILL**

[2/3/2011](file:///p:\pprever\2011-12\3593_20110203.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3417 SO AS TO ALLOW A TAX CREDIT FOR INCREASING RESEARCH ACTIVITIES RELATED TO SOLAR LIQUID FUEL, TO ALLOW A TAX CREDIT FOR THE PRODUCTION OF SOLAR LIQUID FUEL IN COMMERCIAL QUANTITIES, TO ALLOW A TAX CREDIT FOR COSTS INCURRED TO CONVERT OR MODIFY EXISTING MOTOR VEHICLE FUEL SERVICE STATIONS FOR THE RETAIL SALE OF SOLAR LIQUID FUEL, AND TO PROVIDE LIMITATIONS.

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

SECTION 1. Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3417. (A) A taxpayer that claims a federal income tax credit pursuant to Section 41 of the Internal Revenue Code for increasing research activities related to solar liquid fuel for the taxable year is allowed a credit against any tax due pursuant to this chapter or Section 12‑20‑50. Beginning in 2011 and through 2021, the credit is equal to forty percent of the difference in the amount of qualified research expenses for the taxable year and the base amount, as defined in section 41(c) of the Internal Revenue Code. Qualified research includes only research conducted in this State.

(B) Beginning in 2016 and through 2026, a credit is allowed for the production of solar liquid fuel in this State in commercial quantities. The amount of the credit is equal to eleven cents per one hundred thousand British thermal units of fuel produced in this State during the taxable year.

(C) Beginning in 2016 and through 2026, a credit is allowed for costs incurred during the taxable year to convert or modify existing motor vehicle fuel service stations for the retail sale of solar liquid fuel to customers. The amount of the credit is equal to thirty per cent of the cost of conversion or modification, but not more than twenty thousand dollars per taxable year per service station.

(D) A taxpayer that claims the credit allowed by this section may not also claim the credit allowed by Section 12‑6‑3415 for the same expenses.

(E) The credit taken in any one taxable year pursuant to this section may not exceed fifty percent of the taxpayer’s remaining tax liability after all other credits have been applied. Any unused credit may be carried over to the immediately succeeding taxable years, except that the credit carry‑over may not be used for a taxable year that begins on or after ten years from the date of the qualified research expenses.

(F) For the purposes of this section:

(1) ‘Commercial quantities’ means an amount of fuel that can be produced and sold by an incorporated entity in the wholesale or retail trade.

(2) ‘Production’ means the production of infrastructure compatible fuels derived from sunlight, carbon dioxide and water that are converted into intermediary chemicals and gases that are used to produce hydrocarbon fuels.

(3) ‘Qualified research expenses’ has the same meaning as provided for in Section 41 of the Internal Revenue Code.

(4) ‘Solar liquid fuel’ means liquid fuel that is generated through processes that use sunlight, carbon dioxide and water to produce infrastructure compatible liquid hydrocarbon fuels.”

SECTION 2. This act takes effect upon approval by the Governor.

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