**South Carolina General Assembly**

121st Session, 2015-2016

**S. 306**

**STATUS INFORMATION**

Joint Resolution

Sponsors: Senator Campsen

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Introduced in the Senate on January 13, 2015

Currently residing in the Senate Committee on **Finance**

Summary: South Carolina Capital Incentives Act

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/13/2015 Senate Introduced and read first time ([Senate Journal‑page 178](file:///h:\SJ%20Archive\2015\01-13-15.docx))

1/13/2015 Senate Referred to Committee on **Finance** ([Senate Journal‑page 178](file:///h:\SJ%20Archive\2015\01-13-15.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=306&session=121&summary=B) at the website

**VERSIONS OF THIS BILL**

[1/13/2015](file:///p:\pprever\2015-16\306_20150113.docx)

**A** **JOINT RESOLUTION**

TO ENACT THE “SOUTH CAROLINA CAPITAL INCENTIVES ACT” BY TEMPORARILY PROVIDING “BONUS” STATE INCOME TAX EXPENSING DEDUCTIONS FOR NEW DEPRECIABLE BUSINESS PROPERTY, BY EXCLUDING FROM SOUTH CAROLINA TAXABLE INCOME NET CAPITAL GAINS ATTRIBUTABLE TO THE SALE OR EXCHANGE OF DEPRECIABLE BUSINESS PROPERTY RECEIVING THAT “BONUS” DEDUCTION, AND TO DEFINE TERMS BY APPROPRIATE REFERENCES TO PROVISIONS IN CHAPTER 6, TITLE 12 OF THE 1976 CODE, THE SOUTH CAROLINA INCOME TAX ACT.

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

SECTION 1. This section may be cited as the “South Carolina Capital Incentives Act”.

SECTION 2. (A) For purposes of Chapter 6, Title 12 of the 1976 Code, the South Carolina Income Tax Act, during the eligibility period, to the extent that a business claiming the maximum deduction allowed in 2015 and 2016 pursuant to Internal Revenue Code Section 179 and the cost of the property giving rise to the Section 179 deduction exceeded the maximum deduction allowed for federal income tax purposes, there is allowed as a deduction from South Carolina taxable income an amount equal to the difference between the total Section 179 deduction claimed for federal income tax purposes and one million dollars. If all or some part of this “bonus” deduction remains after the taxpayer’s South Carolina taxable income for the year is reduced to zero, then the unused deduction may be carried forward for the succeeding five taxable years. In the case of “pass‑through” businesses, this bonus deduction passes to the taxpayer in the same manner as the Section 179 deduction.

(B) To the extent there is included in a taxpayer’s South Carolina taxable income net capital gain attributable to the sale or exchange of property receiving the bonus deduction allowed pursuant to subsection (A) of this section, then the amount of that net capital gain is not included in the taxpayer’s South Carolina taxable income for the applicable taxable year. Any net capital gain recognized in that taxable year is deemed to be net capital gain attributable to the sale or exchange of the “bonus” receiving property up to the amount of net capital gain resulting solely from the sale or exchange of that property.

SECTION 3. (A) As used in SECTION 2 of this joint resolution:

(1) “eligible period” means the time from the effective date of this joint resolution through December 31, 2016.

(2) “Internal Revenue Code” means the Internal Revenue Code of 1986, as defined pursuant to Section 12‑6‑40 of the 1976 Code and includes provisions therein contained in the Small Business Jobs and Credit Act of 2010.

(3) “net capital gain” has the meaning provided pursuant to Section 12‑6‑1150(B)(2) of the 1976 Code.

(B) The South Carolina Department of Revenue may promulgate regulations and prescribe procedures to provide for the administration of this joint resolution.

SECTION 4. This joint resolution takes effect upon approval by the Governor.

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