**South Carolina General Assembly**

121st Session, 2015-2016

**S. 951**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Cromer, Coleman, Campbell, Cleary and J. Matthews

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Introduced in the Senate on January 13, 2016

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

Summary: Tax credits

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/9/2015 Senate Prefiled

12/9/2015 Senate Referred to Committee on **Finance**

1/13/2016 Senate Introduced and read first time ([Senate Journal‑page 42](file:///h:\SJ%20Archive\2016\01-13-16.docx))

1/13/2016 Senate Referred to Committee on **Finance** ([Senate Journal‑page 42](file:///h:\SJ%20Archive\2016\01-13-16.docx))

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**VERSIONS OF THIS BILL**

[12/9/2015](file:///p:\pprever\2015-16\951_20151209.docx)

**A** **BILL**

TO AMEND ARTICLE 25, CHAPTER 6, TITLE 12 OF THE 1976 CODE, RELATING TO INCOME TAX CREDITS, TO ESTABLISH A TAX CREDIT FOR THE CONSTRUCTION OR PURCHASE OF GEOTHERMAL MACHINERY AND EQUIPMENT OR REAL PROPERTY THAT IS PLACED IN SERVICE DURING THE TAXABLE YEAR; TO PLACE A LIMITATION RELATED TO CLAIMING THE TAX CREDIT; TO ESTABLISH A CAP ON THE AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE CLAIMED IN ANY SINGLE TAXABLE YEAR; TO REPEAL THE TAX CREDIT ON JANUARY 1, 2019; AND TO DEFINE NECESSARY TERMS.

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

Section 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3760. (A) For purposes of this section, ‘geothermal machinery and equipment or real property’ means machinery and equipment or real property that either:

(1) is a heat pump that uses the ground or groundwater as a thermal energy source to heat a structure or as a thermal energy sink to cool a structure; or

(2) uses the internal heat of the earth as a substitute for traditional energy for water heating or active space heating or cooling.

(B) A taxpayer that constructs or purchases geothermal machinery and equipment or real property and places it in service in this State for the purpose of providing energy to heat or cool a residence during the taxable year is allowed an income tax credit equal to thirty‑five percent of the cost of the property including the cost of installation. The taxpayer must claim the credit in the taxable year in which the property is placed in service. No credit is allowed under this section to the extent the cost of the renewable energy property is provided by public funds.

(C) A credit for each installation of geothermal machinery and equipment or real property must not exceed eight thousand four hundred dollars.

(D) If the geothermal machinery and equipment or real property with respect to which the credit was claimed is disposed of, taken out of service, or moved out of the State in a year in which the installment of a credit accrues, the credit expires and the taxpayer may not claim any remaining installment of the credit. The taxpayer may claim the portion of an installment that accrued in a previous year and was carried forward to the extent permitted under this section.

(E) A taxpayer who claims any other credit allowed with respect to renewable energy property may not claim the credit allowed in this section with respect to the same property.

(F) The credits allowed in this section may not exceed fifty percent of a taxpayer’s income tax liability. This limitation applies to the cumulative amount of credit, including carryforwards, claimed by the taxpayer under this section for a taxable year. Any unused portion of the credits may be carried forward for the succeeding five years.

(G) The cumulative total of credits claimed under this section may not exceed two million five hundred thousand dollars in any calendar year.”

SECTION 2. Section 12‑6‑3760 is repealed effective January 1, 2019.

SECTION 3. This act takes effect on January 1, 2016.

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