**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3378 SO AS TO PROVIDE A FIVE THOUSAND DOLLAR TAX CREDIT FOR THE IN‑STATE PURCHASE OR LEASE OF A NEW QUALIFIED HYBRID ELECTRIC VEHICLE OR NEW QUALIFIED BATTERY ELECTRIC VEHICLE AND TO PROVIDE THE PROCESS BY WHICH THE CREDIT MAY BE CLAIMED.

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 12‑6‑3378. (A) For taxable years beginning after December 31, 2015, a South Carolina resident taxpayer is allowed a five thousand dollar nonrefundable tax credit against the income tax imposed pursuant to this chapter for the in‑state purchase or lease of a new qualified hybrid electric vehicle or new battery electric vehicle. In order to qualify for the credit, the original use of the vehicle must commence with the taxpayer and the vehicle must be acquired for use or lease by the taxpayer and not for resale.

(B) A qualified hybrid electric vehicle is a vehicle that:

(1) is a light duty vehicle listed in the hybrid electric vehicle section of the most recent edition of the United States Department of Energy Clean Cities Vehicle Buyer’s Guide or is a medium or heavy duty vehicle listed in the hybrid propulsion system manufacturers section of the U.S. Department of Energy Clean Cities Guide to Alternative Fuel and Advanced Medium and Heavy Duty Vehicles;

(2) draws propulsion energy from onboard sources of stored energy which are both:

(a) an internal combustion or heat engine using consumable fuel; and

(b) a rechargeable energy storage system; and

(3) does not have an external electrical plug connector that directly charges a battery or energy storage system.

(C) A qualified battery electric vehicle is a vehicle that is:

(1) manufactured primarily for use on public streets, roads, and highways and propelled by an electric motor which draws electricity from a battery which has a capacity of not less than four kilowatt hours and is capable of being recharged from an external source of electricity; and

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

(D) The credit allowed by this section may be carried forward for five years.

(E) The credit allowed by this section for all qualified hybrid electric vehicles and all qualified battery electric vehicles is not allowed for purchases or conversions made after December 31, 2018.

(F) A taxpayer who claims a credit for a qualified vehicle pursuant to this section may not claim any additional credits for the same qualified vehicle.

(G) Notwithstanding the credit amount allowed pursuant to this section, for a tax year all claims made pursuant to this section for all qualified vehicles must not exceed nine hundred and fifty thousand dollars and must apply to eligible claimants on a first‑come, first‑served basis as determined by the Department of Revenue in a manner it prescribes until the total allowable credits for the tax year are exhausted.”

SECTION 2. This act takes effect upon approval by the Governor and only applies to purchases made after December 31, 2015.

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