

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

GOOD/DOWNEY
MARCH 30, 2022

CLERK OF THE HOUSE

REP. SIMRILL PROPOSES THE FOLLOWING AMENDMENT
No. TO H. 4817 (COUNCIL\DG\4817C001.NBD.DG22):

REFERENCE IS TO THE BILL AS INTRODUCED.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING SECTION 2 AND INSERTING:**

**/ SECTION 2. ARTICLE 25, CHAPTER 6, TITLE
12 OF THE 1976 CODE IS AMENDED BY ADDING:**

**“SECTION 12-6-3810. (A) AS USED IN THIS
SECTION:**

**(1)‘DEPARTMENT’ MEANS THE SOUTH
CAROLINA DEPARTMENT OF COMMERCE.**

**(2)‘ELIGIBLE TAXPAYER’ MEANS ANY
RAILROAD OWNER LOCATED IN THIS STATE THAT**

IS CLASSIFIED BY THE UNITED STATES SURFACE TRANSPORTATION BOARD AS A CLASS II OR CLASS III RAILROAD.

(3)‘QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES’ MEANS GROSS EXPENDITURES FOR MAINTENANCE, RECONSTRUCTION OR REPLACEMENT OF RAILROAD INFRASTRUCTURE, INCLUDING TRACK, ROADBED, BRIDGES, INDUSTRIAL LEADS AND SIDINGS, AND TRACK-RELATED STRUCTURES OWNED OR LEASED BY A CLASS II OR CLASS III RAILROAD LOCATED IN THIS STATE.

(4)‘ELIGIBLE TRANSFEREE’ MEANS ANY TAXPAYER SUBJECT TO TAX UNDER SECTIONS 12-6-510, 12-6-530, 12-11-20, OR 38-7-20.

(B)(1) THERE IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED PURSUANT TO SECTIONS 12-6-510, 12-6-530, 12-11-20, OR 38-7-20 EQUAL TO FIFTY PERCENT OF AN ELIGIBLE TAXPAYER’S QUALIFIED RAILROAD

RECONSTRUCTION OR REPLACEMENT EXPENDITURES.

(2) FOR QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES THE AMOUNT OF THE CREDIT MAY NOT EXCEED FIVE THOUSAND DOLLARS MULTIPLIED BY THE NUMBER OF MILES OF RAILROAD TRACK OWNED OR LEASED WITHIN THIS STATE BY THE ELIGIBLE TAXPAYER AS OF THE CLOSE OF THE TAXABLE YEAR.

(C)(1) FOLLOWING THE COMPLETION OF QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES, THE ELIGIBLE TAXPAYER SHALL SUBMIT TO THE DEPARTMENT OF COMMERCE A VERIFICATION OF QUALIFIED EXPENDITURES ON A FORM PROVIDED FOR THAT PURPOSE BY THE DEPARTMENT OF COMMERCE. THE VERIFICATION MUST INCLUDE A STATEMENT CERTIFYING:

(A) THE STATUS OF THE OWNER OR LESSEE OF THE RAILROAD AS AN ELIGIBLE TAXPAYER;

(B) CERTIFICATION OF THE MILES OF RAILROAD TRACK OWNED OR LEASED IN THIS STATE;

(C) THE QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT WORK COMPLETED; AND

(D) A DESCRIPTION OF THE AMOUNT OF QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES PAID OR INCURRED.

WITHIN THIRTY DAYS AFTER RECEIPT AND APPROVAL OF THE FOREGOING DOCUMENTATION FROM THE ELIGIBLE TAXPAYER, THE DEPARTMENT SHALL ISSUE A TAX CREDIT CERTIFICATE IN AN AMOUNT EQUIVALENT TO THE AMOUNT OF THE QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES INCURRED BY THE ELIGIBLE TAXPAYER, NOT TO EXCEED THE AMOUNT OF THE TAX CREDITS RESERVED FOR THE PROJECT.

(2) AT THE END OF EACH YEAR, THE DEPARTMENT SHALL FURNISH TO THE DEPARTMENT OF REVENUE A LIST OF ALL ELIGIBLE

TAXPAYERS WHO HAVE QUALIFIED FOR THE CREDIT ALONG WITH THE AMOUNT OF THE CREDIT AUTHORIZED.

(3) SECTION 12-54-240 MAY NOT APPLY TO ANY INFORMATION EXCHANGED BETWEEN THE DEPARTMENT OF COMMERCE AND THE DEPARTMENT OF REVENUE RELATING TO THE CREDIT ALLOWED PURSUANT TO THIS SECTION.

(D) THE DEPARTMENT MAY ADOPT RULES TO IMPLEMENT AND ADMINISTER THIS SECTION AND TO ENABLE THE CERTIFICATION OF THE INCOME TAX CREDIT AMOUNT EARNED BY EACH ELIGIBLE TAXPAYER.

(E) IN ORDER TO OBTAIN A CREDIT AGAINST ANY STATE INCOME TAX DUE, AN ELIGIBLE TAXPAYER SHALL FILE THE TAX CREDIT CERTIFICATE WITH THE TAXPAYER'S SOUTH CAROLINA STATE INCOME TAX RETURN.

(F) ANY TAX CREDIT GENERATED PURSUANT TO THE PROVISIONS OF THIS SECTION, TO THE EXTENT NOT USED, MAY BE CARRIED FORWARD FOR EACH OF THE FIVE YEARS FOLLOWING THE YEAR OF QUALIFICATION.

(G)(1) AN ELIGIBLE TAXPAYER MAY TRANSFER ANY UNUSED CREDIT TO ANY ELIGIBLE TRANSFEREE BY WRITTEN AGREEMENT, AT ANY TIME DURING THE FIVE YEARS FOLLOWING THE TAX YEAR THE QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES ARE INCURRED. ANY ELIGIBLE TRANSFEREE IS ENTITLED TO CLAIM THE CREDIT ONLY FOR ANY PERIOD REMAINING FOR THE TAX CREDIT.

(2) THE ELIGIBLE TAXPAYER AND THE ELIGIBLE TRANSFEREE MUST FILE JOINTLY A COPY OF THE WRITTEN TRANSFER AGREEMENT WITH THE DEPARTMENT OF REVENUE, WITHIN THIRTY DAYS OF THE TRANSFER. THE WRITTEN AGREEMENT MUST CONTAIN THE NAME, ADDRESS, AND TAXPAYER IDENTIFICATION NUMBER OF THE ELIGIBLE TAXPAYER AND THE ELIGIBLE TRANSFEREE, THE TAX YEAR THE ELIGIBLE TAXPAYER INCURRED THE QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES, THE AMOUNT OF

CREDIT BEING TRANSFERRED, AND THE TAX YEAR OR YEARS FOR WHICH THE CREDIT MAYBE CLAIMED.

(H) THE DEPARTMENT SHALL REPORT TO THE SENATE FINANCE COMMITTEE AND THE HOUSE WAYS AND MEANS COMMITTEE BY JULY 1, 2025, AND ANNUALLY THEREAFTER FOR THE DURATION OF THE EXISTENCE OF THIS PROGRAM, ON THE USE OF THE CREDIT, INCLUDING THE NUMBER OF TAX CREDITS APPLIED FOR AND THE NUMBER OF TAX CREDITS GRANTED FROM THE QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES FOR WHICH TAX CREDITS HAVE BEEN ALLOWED.” /

RENUMBER SECTIONS TO CONFORM.

AMEND TITLE TO CONFORM.