

REPORT OF THE SALES AND INCOME TAX SUBCOMMITTEE

(Allison, Simrill, G.M. Smith, Hosey & G.R. Smith - Staff Contact: Katie Owen)

HOUSE BILL 4995

H. 4995 -- Reps. Stringer, Bingham, Harrell, Parker, Ballentine, Ryan, Bedingfield, G.R. Smith, Brady, Thayer, Patrick, Erickson, Nanney, Taylor, J.R. Smith, Allison, Bannister, Bowen, Hamilton, Henderson, Hixon, Horne, Limehouse, Loftis, Long, Owens, Tallon and Forrester: A BILL TO AMEND SECTION 12-36-2120, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SALES TAX EXEMPTIONS, SO AS TO DELETE VARIOUS EXEMPTIONS; TO AMEND SECTION 12-36-2620, RELATING TO THE COMPONENTS OF THE SALES TAX, SO AS TO DELETE THE ONE PERCENT EXEMPTION TO INDIVIDUALS OVER EIGHTY-FIVE YEARS OF AGE; TO REPEAL SECTIONS 12-36-2130 AND 12-36-2610 RELATING TO THE STATE SALES TAX; TO PROVIDE THAT THE ADDITIONAL REVENUE GENERATED BY THIS ACT MUST BE USED TO REDUCE THE OVERALL SALES TAX RATE; AND TO RE-ENACT THE JOINT COMMITTEE ON TAXATION AND REQUIRE THE COMMITTEE TO REVIEW THE PROVISIONS OF SECTION 12-36-2120.

Summary of Bill:

This bill removes certain sales tax exemptions and provides an exemption for RSV medications and visosupplementation therapies.

Introduced: 3/13/2012

Received by Ways and Means: 3/13/2012

Estimated Fiscal Impact:

PENDING

Subcommittee Recommendation:

Favorable with amendments

Full Committee Recommendation:

Pending

Other Notes/Comments:

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4/17/12

The Sales and Income Tax Subcommittee proposes the following amendment to H. 4995:

Reference is to the bill as introduced.

Amend the bill, as and if amended, by deleting Section 12-36-2120 (7) on page 2, lines 22 - 28 and inserting:

/ (7) containers and labels used in:

- (a) preparing agricultural, dairy, grove, or garden products for sale; or**
- (b) preparing turpentine gum, gum spirits of turpentine, and gum resin for sale**

For purposes of this exemption, containers mean boxes, crates, bags, bagging, ties, barrels, and other containers; /

Amend the bill, as and if amended, by deleting Section 12-36-2120 (7) on page 2, lines 29 - 31 and inserting:

/ (8) newsprint paper, newspapers, and religious publications, including the Holy Bible and the South Carolina Department of Agriculture's The Market Bulletin; /

Amend the bill, as and if amended, by deleting Section 12-36-2120 (11) on page 4, lines 25 - 31 and inserting:

- /(11)(a) toll charges for the transmission of voice or messages between telephone exchanges;**
- (b) charges for telegraph messages;**
- (c) carrier access charges and customer access line charges established by the Federal Communications department or the South Carolina Public Service department; and**
- (d) transactions involving automatic teller machines; /**

Amend the bill, as and if amended, by deleting Section 12-36-2120 (14) on page 5, lines 1 - 3 and inserting:

/ (14) wrapping paper, wrapping twine, paper bags, and containers, used incident to the sale and delivery of tangible personal property; /

Amend the bill, as and if amended, by deleting Section 12-36-2120 (26) on page 6, lines 28 -32 and inserting:

/(26) all supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television systems, for use in producing, broadcasting, or distributing programs. For the purpose of this exemption, radio stations, television stations, and cable television systems are deemed to be manufacturers; /

Amend the bill, as and if amended, by deleting Section 12-36-2120 (38) on page 8, line 30 and inserting:

(38) /hearing aids, as defined by Section 40-25-20(5);/

Amend the bill, as and if amended, by deleting Section 12-36-2120 (45) on page 9, lines 24 - 28 and inserting:

/ (45) building materials, supplies, fixtures, and equipment for the construction, repair, or improvement of or that become a part of a self contained enclosure or structure specifically designed, constructed, and used for the commercial housing of poultry or livestock. /

Amend the bill, as and if amended, by deleting Section 12-36-2120 (56) on page 11, lines 21 - 29 and inserting:

/ (56) Machines used in research and development. 'Machines' includes machines and parts of machines, attachments, and replacements which are used or manufactured for use on or in the operation of the machines, which are necessary to the operation of the machines, and which are customarily used in that way. 'Machines used in research and development' means machines used directly and primarily in research and development, in the experimental or laboratory sense, of new products, new uses for existing products, or improvement of existing products./

Amend the bill, as and if amended, by adding Section 12-36-2120 (72) on page 16, lines 24 - 30 and inserting:

~~/ (72) any building materials used to construct a new or renovated building or any machinery or equipment located in a research district. However, the amount of the sales tax that would be assessed without the exemption provided by the section must be invested by the taxpayer in hydrogen or fuel cell machinery or equipment located in the same research district within twenty four months of the purchase of an exempt item. ; /~~

Amend the bill, as and if amended, by adding Section 3 on page 20, lines 14 - 15, and inserting:

SECTION 3. Sections 12-36-2130 and 12-36-2610 of the 1976 Code are is repealed.

Renumber sections to conform.

Amend title to conform.

South Carolina General Assembly
119th Session, 2011-2012

H. 4995

STATUS INFORMATION

General Bill

Sponsors: Reps. Stringer, Bingham, Harrell, Parker, Ballentine, Ryan, Bedingfield, G.R. Smith, Brady, Thayer, Patrick, Erickson, Nanney, Taylor, J.R. Smith, Allison, Bannister, Bowen, Hamilton, Henderson, Hixon, Horne, Limehouse, Loftis, Long, Owens, Tallon, Forrester, Pope, Simrill and Sottile

Document Path: l:\council\bill\ncd\12215dg12.docx

Companion/Similar bill(s): 4994, 4996, 4997

Introduced in the House on March 13, 2012

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

Summary: Sales tax exemptions

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
3/13/2012	House	Introduced and read first time (House Journal-page 10)
3/13/2012	House	Referred to Committee on Ways and Means (House Journal-page 10)
3/13/2012	House	Member(s) request name added as sponsor: Forrester, Pope, Simrill, Sottile

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VERSIONS OF THIS BILL

3/13/2012

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9 **A BILL**

10
11 TO AMEND SECTION 12-36-2120, AS AMENDED, CODE OF
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO SALES
13 TAX EXEMPTIONS, SO AS TO DELETE VARIOUS
14 EXEMPTIONS; TO AMEND SECTION 12-36-2620,
15 RELATING TO THE COMPONENTS OF THE SALES TAX, SO
16 AS TO DELETE THE ONE PERCENT EXEMPTION TO
17 INDIVIDUALS OVER EIGHTY-FIVE YEARS OF AGE; TO
18 REPEAL SECTIONS 12-36-2130 AND 12-36-2610 RELATING
19 TO THE STATE SALES TAX; TO PROVIDE THAT THE
20 ADDITIONAL REVENUE GENERATED BY THIS ACT MUST
21 BE USED TO REDUCE THE OVERALL SALES TAX RATE;
22 AND TO RE-ENACT THE JOINT COMMITTEE ON
23 TAXATION AND REQUIRE THE COMMITTEE TO REVIEW
24 THE PROVISIONS OF SECTION 12-36-2120.

25
26 Be it enacted by the General Assembly of the State of South
27 Carolina:

28
29 SECTION 1. A. Section 12-36-2120 of the 1976 Code, as last
30 amended by Act 32 of 2011, is further amended to read:

31
32 “Section 12-36-2120. Exempted from the taxes imposed by
33 this chapter are the gross proceeds of sales, or sales price of:

34 (1) tangible personal property or receipts of any business
35 which the State is prohibited from taxing by the Constitution or
36 laws of the United States of America or by the Constitution or laws
37 of this State;

38 (2) tangible personal property sold to the federal government;

39 (3)(a) ~~textbooks, books, magazines, periodicals, newspapers,~~
40 ~~and access to on-line information systems used in a course of study~~
41 ~~in primary and secondary schools and institutions of higher~~

1 ~~learning or for students' use in the school library of these schools~~
2 ~~and institutions;~~

3 ~~(b) books, magazines, periodicals, newspapers, and access to~~
4 ~~on line information systems sold to publicly supported state,~~
5 ~~county, or regional libraries;~~

6 ~~Items in this category may be in any form, including microfilm,~~
7 ~~microfiche, and CD ROM; however, transactions subject to tax~~
8 ~~under Sections 12-36-910(B)(3) and 12-36-1310(B)(3) do not fall~~
9 ~~within this exemption; Reserved~~

10 (4) livestock. 'Livestock' is defined as domesticated animals
11 customarily raised on South Carolina farms for use primarily as
12 beasts of burden, or food, and certain mammals when raised for
13 their pelts or fur. Animals such as dogs, cats, reptiles, fowls
14 (except baby chicks and poults), and animals of a wild nature, are
15 not considered livestock;

16 (5) feed used for the production and maintenance of poultry
17 and livestock;

18 (6) insecticides, chemicals, fertilizers, soil conditioners, seeds,
19 or seedlings, or nursery stock, used solely in the production for
20 sale of farm, dairy, grove, vineyard, or garden products or in the
21 cultivation of poultry or livestock feed;

22 (7) ~~containers and labels used in:~~

23 ~~(a) preparing agricultural, dairy, grove, or garden products~~
24 ~~for sale; or~~

25 ~~(b) preparing turpentine gum, gum spirits of turpentine, and~~
26 ~~gum resin for sale.~~

27 ~~For purposes of this exemption, containers mean boxes, crates,~~
28 ~~bags, bagging, ties, barrels, and other containers; Reserved~~

29 ~~(8) newsprint paper, newspapers, and religious publications,~~
30 ~~including the Holy Bible and the South Carolina Department of~~
31 ~~Agriculture's The Market Bulletin; Reserved~~

32 (9) coal, or coke or other fuel sold to manufacturers, electric
33 power companies, and transportation companies for:

34 (a) use or consumption in the production of by-products;

35 (b) the generation of heat or power used in manufacturing
36 tangible personal property for sale. For purposes of this item,
37 'manufacturer' or 'manufacturing' includes the activities of a
38 processor;

39 (c) the generation of electric power or energy for use in
40 manufacturing tangible personal property for sale;

41 (d) the generation of motive power for transportation. For
42 the purposes of this exemption, 'manufacturer' or 'manufacturing'
43 includes the activities of mining and quarrying;

1 (e) the generation of motive power for test flights of aircraft
2 by the manufacturer of the aircraft where:
3 (i) the taxpayer invests at least seven hundred fifty
4 million dollars in real or personal property or both comprising or
5 located at a single manufacturing facility over a seven-year period;
6 and
7 (ii) the taxpayer creates at least three thousand eight
8 hundred full-time new jobs at the single manufacturing facility
9 during that seven-year period; or
10 (f) the transportation of an aircraft prior to its completion
11 from one facility of the manufacturer of the aircraft to another
12 facility of the manufacturer of the aircraft, not including the
13 transportation of major component parts for construction or
14 assembly, or the transportation of personnel. This exemption only
15 applies when:
16 (i) the taxpayer invests at least seven hundred fifty
17 million dollars in real or personal property or both comprising or
18 located at a single manufacturing facility over a seven-year period;
19 and
20 (ii) the taxpayer creates at least three thousand eight
21 hundred full-time new jobs at the single manufacturing facility
22 during that seven-year period.
23 To qualify for the exemptions provided for in subitems (e) and
24 (f), the taxpayer shall notify the department before the first month
25 it uses the exemption and shall make the required investment and
26 create the required number of full-time new jobs over the
27 seven-year period beginning on the date provided by the taxpayer
28 to the department in its notices. The taxpayer shall notify the
29 department in writing that it has met the seven hundred fifty
30 million dollar investment requirement and has created the three
31 thousand eight hundred full-time new jobs or, after the expiration
32 of the seven-year period, that it has not met the seven hundred fifty
33 million dollar investment requirement and created the three
34 thousand eight hundred full-time new jobs. The department may
35 assess any tax due on fuel purchased tax free pursuant to subitems
36 (e) and (f) but due the State as a result of the taxpayer's failure to
37 meet the seven hundred fifty million dollar investment requirement
38 and create the three thousand eight hundred full-time new jobs.
39 The running of the periods of limitations for assessment of taxes
40 provided in Section 12-54-85 is suspended for the time period
41 beginning with notice to the department before the taxpayer uses
42 the exemption and ending with notice to the department that the
43 taxpayer either has met or has not met the seven hundred fifty

1 million dollar investment requirement and created the three
2 thousand eight hundred full-time new jobs.

3 As used in subitems (e) and (f), 'taxpayer' includes a person
4 who bears a relationship to the taxpayer as described in Section
5 267(b) of the Internal Revenue Code.

6 (10)(a) meals or foodstuffs used in furnishing meals to school
7 children, if the sales or use are within school buildings and are not
8 for profit;

9 (b) meals or foodstuffs provided to elderly or disabled
10 persons at home by nonprofit organizations that receive only
11 charitable contributions in addition to sale proceeds from the
12 meals;

13 (c) food stuffs, either prepared or packaged for the homeless
14 or needy that are sold to nonprofit organizations, or food stuffs that
15 are subsequently sold or donated by a nonprofit organization to
16 another nonprofit organization. This subitem is only applicable to
17 food stuffs which are eligible for purchase under the USDA food
18 stamp program;

19 (d) meals or foodstuffs prepared or packaged that are sold to
20 public or nonprofit organizations for congregate or in-home
21 service to the homeless or needy or disabled adults over eighteen
22 years of age or individuals over sixty years of age. This subitem
23 only applies to meals and foodstuffs eligible for purchase under the
24 USDA food stamp program.

25 ~~(11)(a) toll charges for the transmission of voice or messages~~
26 ~~between telephone exchanges;~~

27 ~~(b) charges for telegraph messages;~~

28 ~~(c) carrier access charges and customer access line charges~~
29 ~~established by the Federal Communications department or the~~
30 ~~South Carolina Public Service department; and~~

31 ~~(d) transactions involving automatic teller machines;~~

32 Reserved

33 (12) water sold by public utilities, if rates and charges are of the
34 kind determined by the Public Service Commission, or water sold
35 by nonprofit corporations organized pursuant to Chapter 36 of,
36 Title 33;

37 (13) fuel, lubricants, and supplies for use or consumption aboard
38 ships in intercoastal trade or foreign commerce. This exemption
39 does not exempt or exclude from the tax the sale of materials and
40 supplies used in fulfilling a contract for the painting, repair, or
41 reconditioning of ships and other watercraft;

1 ~~(14) wrapping paper, wrapping twine, paper bags, and~~
2 ~~containers, used incident to the sale and delivery of tangible~~
3 ~~personal property; Reserved~~

4 (15)(a) motor fuel, blended fuel, and alternative fuel subject to
5 tax under Chapter 28 of Title 12; however, gasoline used in
6 aircraft is not exempt from the sales and use tax;

7 (b) if the fuel tax is subsequently refunded under Section
8 12-28-710, the sales or use tax is due unless otherwise exempt, and
9 the person receiving the refund is liable for the sales or use tax;

10 (c) fuels used in farm machinery and farm tractors; and

11 (d) fuels used in commercial fishing vessels.

12 (16) farm machinery and their replacement parts and
13 attachments, used in planting, cultivating or harvesting farm crops,
14 including bulk coolers (farm dairy tanks) used in the production
15 and preservation of milk on dairy farms, and machines used in the
16 production of poultry and poultry products on poultry farms, when
17 such products are sold in the original state of production or
18 preparation for sale. This exemption does not include automobiles
19 or trucks;

20 (17) machines used in manufacturing, processing, recycling,
21 compounding, mining, or quarrying tangible personal property for
22 sale. 'Machines' include the parts of machines, attachments, and
23 replacements used, or manufactured for use, on or in the operation
24 of the machines and which (a) are necessary to the operation of the
25 machines and are customarily so used, or (b) are necessary to
26 comply with the order of an agency of the United States or of this
27 State for the prevention or abatement of pollution of air, water, or
28 noise that is caused or threatened by any machine used as provided
29 in this section. This exemption does not include automobiles or
30 trucks. As used in this item 'recycling' means a process by which
31 materials that otherwise would become solid waste are collected,
32 separated, or processed and reused, or returned to use in the form
33 of raw materials or products, including composting, for sale. In
34 applying this exemption to machines used in recycling, the
35 following percentage of the gross proceeds of sale, or sales price
36 of, machines used in recycling are exempt from the taxes imposed
37 by this chapter:

38 Fiscal Year of Sale	Percentage
39 Fiscal year 1997-98	fifty percent
40 After June 30, 1998	one hundred percent;

41 (18) fuel used exclusively to cure agricultural products;

42 (19) electricity used by cotton gins, manufacturers, miners, or
43 quarriers to manufacture, mine, or quarry tangible personal

1 property for sale. For purposes of this item, 'manufacture' or
2 'manufacture' includes the activities of processors;

3 ~~(20) railroad cars, locomotives, and their parts, monorail cars,~~
4 ~~and the engines or motors that propel them, and their parts;~~

5 Reserved

6 ~~(21) vessels and barges of more than fifty tons burden; Reserved~~

7 (22) materials necessary to assemble missiles to be used by the
8 Armed Forces of the United States;

9 (23) farm, grove, vineyard, and garden products, if sold in the
10 original state of production or preparation for sale, when sold by
11 the producer or by members of the producers immediate family;

12 ~~(24) supplies and machinery used by laundries, cleaning,~~
13 ~~dyeing, pressing, or garment or other textile rental establishments~~
14 ~~in the direct performance of their primary function, but not sales of~~
15 ~~supplies and machinery used by coin-operated Laundromats;~~

16 Reserved

17 ~~(25) motor vehicles (excluding trucks) or motoreycles, which~~
18 ~~are required to be licensed to be used on the highways, sold to a~~
19 ~~resident of another state, but who is located in South Carolina by~~
20 ~~reason of orders of the United States Armed Forces. This~~
21 ~~exemption is allowed only if within ten days of the sale the vendor~~
22 ~~is furnished a statement from a commissioned officer of the Armed~~
23 ~~Forces of a higher rank than the purchaser certifying that the buyer~~
24 ~~is a member of the Armed Forces on active duty and a resident of~~
25 ~~another state or if the buyer furnishes a leave and earnings~~
26 ~~statement from the appropriate department of the armed services~~
27 ~~which designates the state of residence of the buyer; Reserved~~

28 (26) all supplies, technical equipment, machinery, and electricity
29 sold to radio and television stations, and cable television systems,
30 for use in producing, broadcasting, or distributing programs. For
31 the purpose of this exemption, radio stations, television stations,
32 and cable television systems are deemed to be manufacturers;

33 Reserved

34 ~~(27) all plants and animals sold to any publicly supported~~
35 ~~zoological park or garden or to any of its nonprofit support~~
36 ~~corporations; Reserved~~

37 (28)(a) medicine and prosthetic devices sold by prescription,
38 prescription medicines used to prevent respiratory syncytial virus,
39 prescription medicines and therapeutic radiopharmaceuticals used
40 in the treatment of rheumatoid arthritis, cancer, lymphoma,
41 leukemia, or related diseases, including prescription medicines
42 used to relieve the effects of any such treatment, free samples of

1 prescription medicine distributed by its manufacturer and any use
2 of these free samples;

3 (b) hypodermic needles, insulin, alcohol swabs, blood sugar
4 testing strips, monolet lancets, dextrometer supplies, blood glucose
5 meters, and other similar diabetic supplies sold to diabetics under
6 the authorization and direction of a physician;

7 (c) disposable medical supplies such as bags, tubing,
8 needles, and syringes, which are dispensed by a licensed
9 pharmacist in accordance with an individual prescription written
10 for the use of a human being by a licensed health care provider,
11 which are used for the intravenous administration of a prescription
12 drug or medicine, and which come into direct contact with the
13 prescription drug or medicine. This exemption applies only to
14 supplies used in the treatment of a patient outside of a hospital,
15 skilled nursing facility, or ambulatory surgical treatment center;

16 (d) medicine donated by its manufacturer to a public
17 institution of higher education for research or for the treatment of
18 indigent patients; and

19 (e) dental prosthetic devices;

20 (f) prescription drugs dispensed to Medicare Part A patients
21 residing in a nursing home are not considered sales to the nursing
22 home and are not subject to the sales tax.

23 (g) respiratory syncytial virus medicines; and

24 (h) visosupplementaion therapies sales.

25 (29) tangible personal property purchased by persons under a
26 written contract with the federal government when the contract
27 necessitating the purchase provides that title and possession of the
28 property is to transfer from the contractor to the federal
29 government at the time of purchase or after the time of purchase.
30 This exemption also applies to purchases of tangible personal
31 property which becomes part of real or personal property owned
32 by the federal government or, as provided in the written contract, is
33 to transfer to the federal government. This exemption does not
34 apply to purchases of tangible personal property used or consumed
35 by the purchaser;

36 ~~(30) office supplies, or other commodities, and services resold~~
37 ~~by the Division of General Services of the State Budget and~~
38 ~~Control Board to departments and agencies of the state~~
39 ~~government, if the tax was paid on the divisions original purchase;~~

40 Reserved

41 (31) vacation time sharing plans, vacation multiple ownership
42 interests, and exchanges of interests in vacation time sharing plans
43 and vacation multiple ownership interests as provided by Chapter

1 32 of Title 27, and any other exchange of accommodations in
2 which the accommodations to be exchanged are the primary
3 consideration;

4 (32) natural and liquefied petroleum gas and electricity used
5 exclusively in the production of poultry, livestock, swine, and
6 milk;

7 (33) electricity, natural gas, fuel oil, kerosene, LP gas, coal, or
8 any other combustible heating material or substance used for
9 residential purposes. Individual sales of kerosene or LP gas of
10 twenty gallons or less by retailers are considered used for
11 residential heating purposes;

12 (34) fifty percent of the gross proceeds of the sale of a modular
13 home regulated pursuant to Chapter 43 of Title 23, both on-frame
14 and off-frame. For purposes of this item only, 'gross proceeds of
15 sale' equals the manufacturer's net invoice price of the modular
16 home sold, including all accessories built in to the modular home
17 at the time of delivery to the purchaser and not including freight or
18 deposit on returnable materials. The manufacturer shall collect the
19 tax and remit it to the Department of Revenue;

20 ~~(35) motion picture film sold or rented to or by theaters;~~
21 Reserved

22 (36) tangible personal property where the seller, by contract of
23 sale, is obligated to deliver to the buyer, or to an agent or donee of
24 the buyer, at a point outside this State or to deliver it to a carrier or
25 to the mails for transportation to the buyer, or to an agent or donee
26 of the buyer, at a point outside this State;

27 ~~(37) petroleum asphalt products, commonly used in paving,~~
28 ~~purchased in this State, which are transported and consumed out of~~
29 ~~this State;~~ Reserved

30 ~~(38) hearing aids, as defined by Section 40-25-20(5);~~ Reserved

31 (39) concession sales at a festival by an organization devoted
32 exclusively to public or charitable purposes, if:

33 (a) all the net proceeds are used for those purposes;

34 (b) in advance of the festival, its organizers provide the
35 department, on a form it prescribes, information necessary to
36 ensure compliance with this item.

37 For purposes of this item, a 'festival' does not include a
38 recognized state or county fair;

39 (40) containers and chassis, including all parts, components, and
40 attachments, sold to international shipping lines which have a
41 contractual relationship with the South Carolina State Ports
42 Authority and which are used in the import or export of goods to
43 and from this State;

1 (41) items sold by organizations exempt under Section
2 12-37-220A(3) and (4) and B(5), (6), (7), (8), (12), (16), (19), (22),
3 and (24), if the net proceeds are used exclusively for exempt
4 purposes and no benefit inures to any individual. An organization
5 whose sales are exempted by this item is also exempt from the
6 retail license tax provided in Article 5 of this chapter;

7 ~~(42) depreciable assets, used in the operation of a business,~~
8 ~~pursuant to the sale of the business. This exemption only applies~~
9 ~~when the entire business is sold by the owner of it, pursuant to a~~
10 ~~written contract and the purchaser continues operation of the~~
11 ~~business; Reserved~~

12 ~~(43) all supplies, technical equipment, machinery, and electricity~~
13 ~~sold to motion picture companies for use in filming or producing~~
14 ~~motion pictures. For the purposes of this item, 'motion picture'~~
15 ~~means any audiovisual work with a series of related images either~~
16 ~~on film, tape, or other embodiment, where the images shown in~~
17 ~~succession impart an impression of motion together with~~
18 ~~accompanying sound, if any, which is produced, adapted, or~~
19 ~~altered for exploitation as entertainment, advertising, promotional,~~
20 ~~industrial, or educational media; and a 'motion picture company'~~
21 ~~means a company generally engaged in the business of filming or~~
22 ~~producing motion pictures; Reserved~~

23 (44) electricity used to irrigate crops;

24 (45) building materials, supplies, fixtures, and equipment for the
25 construction, repair, or improvement of or that become a part of a
26 self-contained enclosure or structure specifically designed,
27 constructed, and used for the commercial housing of poultry or
28 livestock; Reserved

29 ~~(46) War memorials or monuments honoring units or~~
30 ~~contingents of the Armed Forces of the United States or of the~~
31 ~~National Guard, including United States military vessels, which~~
32 ~~memorials or monuments are affixed to public property; Reserved~~

33 (47) tangible personal property sold to charitable hospitals
34 predominantly serving children exempt under Section 12-37-220,
35 where care is provided without charge to the patient. Reserved

36 (48) solid waste disposal collection bags required pursuant to
37 the solid waste disposal plan of a county or other political
38 subdivision if the plan requires the purchase of a specifically
39 designated containment bag for solid waste disposal; Reserved

40 (49) postage purchased by a person engaged in the business of
41 selling advertising services for clients consisting of mailing, or
42 directing the mailing of, printed advertising material through the
43 United States mail directly to the client's customers or potential

1 ~~customers or by a person to mail or direct the mailing of printed~~
2 ~~advertising material through the United States mail to a potential~~
3 ~~customer; Reserved~~

4 (50)(a) recycling property;

5 (b) electricity, natural gas, propane, or fuels of any type,
6 oxygen, hydrogen, nitrogen, or gasses of any type, and fluids and
7 lubricants used by a qualified recycling facility;

8 (c) tangible personal property which becomes, or will
9 become, an ingredient or component part of products manufactured
10 for sale by a qualified recycling facility;

11 (d) tangible personal property of or for a qualified recycling
12 facility which is or will be used (1) for the handling or transfer of
13 postconsumer waste material, (2) in or for the manufacturing
14 process, or (3) in or for the handling or transfer of manufactured
15 products;

16 (e) machinery and equipment foundations used or to be used
17 by a qualified recycling facility;

18 (f) as used in this item, 'recycling property', 'qualified
19 recycling facility', and 'postconsumer waste material' have the
20 meanings provided in Section 12-6-3460;

21 (51) material handling systems and material handling equipment
22 used in the operation of a distribution facility or a manufacturing
23 facility including, but not limited to, racks used in the operation of
24 a distribution facility or a manufacturing facility and either used or
25 not used to support a facility structure or part of it. To qualify for
26 this exemption, the taxpayer shall notify the department before the
27 first month it uses the exemption and shall invest at least thirty-five
28 million dollars in real or personal property in this State over the
29 five-year period beginning on the date provided by the taxpayer to
30 the department in its notices. The taxpayer shall notify the
31 department in writing that it has met the thirty-five million dollar
32 investment requirement or, after the expiration of the five years,
33 that it has not met the thirty-five million dollar investment
34 requirement. The department may assess any tax due on material
35 handling systems and material handling equipment purchased
36 tax-free pursuant to this item but due the State as a result of the
37 taxpayer's failure to meet the thirty-five million dollar investment
38 requirement. The running of the periods of limitations for
39 assessment of taxes provided in Section 12-54-85 is suspended for
40 the time period beginning with notice to the department before the
41 taxpayer uses the exemption and ending with notice to the
42 department that the taxpayer either has met or has not met the
43 thirty-five million dollar investment requirement.

1 ~~(52) Parts and supplies used by persons engaged in the business~~
2 ~~of repairing or reconditioning aircraft owned by or leased to the~~
3 ~~federal government or commercial air carriers. This exemption~~
4 ~~does not extend to tools and other equipment not attached to or that~~
5 ~~do not become a part of the aircraft. Reserved~~
6 ~~(53) motor vehicle extended service contracts and motor vehicle~~
7 ~~extended warranty contracts. Reserved~~
8 ~~(54) clothing and other attire required for working in a Class~~
9 ~~100 or better as defined in Federal Standard 209E clean room~~
10 ~~environment. Reserved~~
11 ~~(55) audiovisual masters made or used by a production company~~
12 ~~in making visual and audio images for first generation~~
13 ~~reproduction. For purposes of this item:~~
14 ~~(a) 'Audiovisual master' means an audio or video film, tape,~~
15 ~~or disk, or another audio or video storage device from which all~~
16 ~~other copies are made.~~
17 ~~(b) 'Production company' means a person or entity engaged~~
18 ~~in the business of making motion picture, television, or radio~~
19 ~~images for theatrical, commercial, advertising, or education~~
20 ~~purposes. Reserved~~
21 ~~(56) Machines used in research and development. 'Machines'~~
22 ~~includes machines and parts of machines, attachments, and~~
23 ~~replacements which are used or manufactured for use on or in the~~
24 ~~operation of the machines, which are necessary to the operation of~~
25 ~~the machines, and which are customarily used in that way.~~
26 ~~'Machines used in research and development' means machines~~
27 ~~used directly and primarily in research and development, in the~~
28 ~~experimental or laboratory sense, of new products, new uses for~~
29 ~~existing products, or improvement of existing products. Reserved~~
30 ~~(57)(a) sales taking place during a period beginning 12:01 a.m.~~
31 ~~on the first Friday in August and ending at twelve midnight the~~
32 ~~following Sunday of:~~
33 ~~(i) clothing;~~
34 ~~(ii) clothing accessories including, but not limited to, hats,~~
35 ~~scarves, hosiery, and handbags;~~
36 ~~(iii) footwear;~~
37 ~~(iv) school supplies including, but not limited to, pens,~~
38 ~~pencils, paper, binders, notebooks, books, bookbags, lunchboxes,~~
39 ~~and calculators;~~
40 ~~(v) computers, printers and printer supplies, and computer~~
41 ~~software;~~

1 (vi) ~~bath wash clothes, blankets, bed spreads, bed linens,~~
2 ~~sheet sets, comforter sets, bath towels, shower curtains, bath rugs~~
3 ~~and mats, pillows, and pillow cases.~~

4 (b) ~~The exemption allowed by this item does not apply to:~~
5 (i) ~~sales of jewelry, cosmetics, eyewear, wallets, watches;~~
6 (ii) ~~sales of furniture;~~
7 (iii) ~~a sale of an item placed on layaway or similar deferred~~
8 ~~payment and delivery plan however described;~~
9 (iv) ~~rental of clothing or footwear;~~
10 (v) ~~a sale or lease of an item for use in a trade or business.~~

11 (e) ~~Before July tenth of each year, the department shall~~
12 ~~publish and make available to the public and retailers a list of those~~
13 ~~articles qualifying for the exemption allowed by this item.~~

14 Reserved

15 (58) ~~cooperative direct mail promotional advertising materials~~
16 ~~and promotional maps, brochures, pamphlets, or discount coupons~~
17 ~~by nonprofit chambers of commerce or convention and visitor~~
18 ~~bureaus who are exempt from income taxation pursuant to Internal~~
19 ~~Revenue Code Section 501(c) delivered at no charge by means of~~
20 ~~interstate carrier, a mailing house, or a United States Post Office to~~
21 ~~residents of this State from locations both inside and outside the~~
22 ~~State. For purposes of this item, 'cooperative direct mail~~
23 ~~promotional advertising materials' means discount coupons,~~
24 ~~advertising leaflets, and similar printed advertising, including any~~
25 ~~accompanying envelopes and labels which are distributed with~~
26 ~~promotional advertising materials of more than one business in a~~
27 ~~single package to potential customers, at no charge to the potential~~
28 ~~customer, of the businesses paying for the delivery of the material.~~

29 Reserved

30 (59) ~~facilities for transmitting electricity that is transferred, sold,~~
31 ~~or exchanged by electrical utilities, municipalities, electric~~
32 ~~cooperatives, or political subdivisions to a limited liability~~
33 ~~company which is subject to regulation under the Federal Power~~
34 ~~Act (16 U.S.C. Section 791(a)) and which is formed to operate or~~
35 ~~to take functional control of electric transmission assets as defined~~
36 ~~in the Federal Power Act;~~

37 (60) ~~a lottery ticket sold pursuant to Chapter 150 of Title 59;~~

38 Reserved

39 (61) ~~copies of or access to legislation or other informational~~
40 ~~documents provided to the general public or any other person by a~~
41 ~~legislative agency when a charge for these copies is made~~
42 ~~reflecting the agency's cost of the copies. Funds received as~~
43 ~~revenue from the sale of materials or as reimbursements for the~~

1 ~~cost of providing certain supplies or services or refunds must be~~
2 ~~remitted to the State Treasurer as collected, but in no event later~~
3 ~~than twelve working days from the date of the receipt of any such~~
4 ~~funds. Reserved~~

5 (62) ~~seventy percent of the gross proceeds of the rental or lease~~
6 ~~of portable toilets. Reserved~~

7 (63) prescription and over-the-counter medicines and medical
8 supplies, including diabetic supplies, diabetic diagnostic
9 equipment, and diabetic testing equipment, sold to a health care
10 clinic that provides medical and dental care without charge to all of
11 its patients.

12 (64) ~~Sweetgrass baskets made by artists of South Carolina using~~
13 ~~locally grown sweetgrass. Reserved~~

14 (65)(a) computer equipment, as defined in subitem (c) of this
15 item, used in connection with a technology intensive facility as
16 defined in Section 12-6-3360(M)(14)(b), where:

17 (i) the taxpayer invests at least three hundred million
18 dollars in real or personal property or both comprising or located at
19 the facility over a five-year period;

20 (ii) the taxpayer creates at least one hundred new full-time
21 jobs at the facility during that five-year period, and the average
22 cash compensation of at least one hundred of the new full-time
23 jobs is one hundred fifty percent of the per capita income of the
24 State according to the most recently published data available at the
25 time the facility's construction starts; and

26 (iii) at least sixty percent of the three hundred million
27 dollars minimum investment consists of computer equipment;

28 (b) computer equipment, as defined in subitem (c) of this
29 item, used in connection with a manufacturing facility, where:

30 (i) the taxpayer invests at least seven hundred fifty
31 million dollars in real or personal property or both comprising or
32 located at the facility over a seven-year period; and

33 (ii) the taxpayer creates at least three thousand eight
34 hundred full-time new jobs at the facility during that seven-year
35 period.

36 As used in this subitem, 'taxpayer' includes a person who bears
37 a relationship to the taxpayer as described in Section 267(b) of the
38 Internal Revenue Code.

39 (c) For the purposes of this item, 'computer equipment'
40 means original or replacement servers, routers, switches, power
41 units, network devices, hard drives, processors, memory modules,
42 motherboards, racks, other computer hardware and components,
43 cabling, cooling apparatus, and related or ancillary equipment,

1 machinery, and components, the primary purpose of which is to
2 store, retrieve, aggregate, search, organize, process, analyze, or
3 transfer data or any combination of these, or to support related
4 computer engineering or computer science research.

5 (d) These exemptions apply from the start of the investment
6 in or construction of the technology intensive facility or the
7 manufacturing facility. The taxpayer shall notify the Department
8 of Revenue of its use of the exemption provided in this item on or
9 before the first sales tax return filed with the department after the
10 first such use. Upon receipt of the notification, the department
11 shall issue an appropriate exemption certificate to the taxpayer to
12 be used for qualifying purposes under this item. Within six
13 months after the fifth anniversary of the taxpayer's first use of this
14 exemption, the taxpayer shall notify the department in writing that
15 it has or has not met the investment and job requirements of this
16 item by the end of that five-year period. Once the department
17 certifies that the taxpayer has met the investment and job
18 requirements, all subsequent purchases of or investments in
19 computer equipment, including to replace originally deployed
20 computer equipment or to implement future expansions, likewise
21 shall qualify for the exemption described above, regardless of
22 when the taxpayer makes the investments.

23 (e) The department may assess any tax due on property
24 purchased tax free pursuant to this item but due the State if the
25 taxpayer subsequently fails timely to meet the investment and job
26 requirements of this item after being granted the exemption; for
27 purposes of determining whether the taxpayer has timely satisfied
28 the investment requirement, replacement computer equipment
29 counts toward the investment requirement to the extent that the
30 value of the replacement computer equipment exceeds the cost of
31 the computer equipment so replaced, but, provided the taxpayer
32 otherwise qualifies for the exemption, the full value of the
33 replacement computer equipment is exempt from sales and use tax.
34 The running of the periods of limitation within which the
35 department may assess taxes provided pursuant to Section
36 12-54-85 is suspended during the time period beginning with the
37 taxpayer's first use of this exemption and ending with the later of
38 the fifth anniversary of first use or notice to the department that the
39 taxpayer either has met or has not met the investment and job
40 requirements of this item;

41 (66) electricity used by a technology intensive facility as defined
42 in Section 12-6-3360(M)(14)(b) and qualifying for the sales tax
43 exemption provided pursuant to item (65) of this section, and the

1 equipment and raw materials including, without limitation, fuel
2 used by such qualifying facility to generate, transform, transmit,
3 distribute, or manage electricity for use in such a facility. The
4 running of the periods of limitation within which the department
5 may assess taxes pursuant to Section 12-54-85 is suspended during
6 the same time period it is suspended in item (65)(d) of this section.

7 (67) effective July 1, 2011, construction materials used in the
8 construction of a new or expanded single manufacturing or
9 distribution facility, or one that serves both purposes, with a capital
10 investment of at least one hundred million dollars in real and
11 personal property at a single site in the State over an
12 eighteen-month period, or effective November 1, 2009,
13 construction materials used in the construction of a new or
14 expanded single manufacturing facility where:

15 (i) the taxpayer invests at least seven hundred fifty million
16 dollars in real or personal property or both comprising or located at
17 the facility over a seven-year period; and

18 (ii) the taxpayer creates at least three thousand eight hundred
19 full-time new jobs at the facility during that seven-year period.

20 To qualify for this exemption, the taxpayer shall notify the
21 department before the first month it uses the exemption and shall
22 make the required investment over the applicable time period
23 beginning on the date provided by the taxpayer to the department
24 in its notices. The taxpayer shall notify the department in writing
25 that it has met the investment requirement or, after the expiration
26 of the applicable time period, that it has not met the investment
27 requirement. The department may assess any tax due on
28 construction materials purchased tax free pursuant to this subitem
29 but due the State as a result of the taxpayer's failure to meet the
30 investment requirement. The running of the periods of limitations
31 for assessment of taxes provided in Section 12-54-85 is suspended
32 for the time period beginning with notice to the department before
33 the taxpayer uses the exemption and ending with notice to the
34 department that the taxpayer either has met or has not met the
35 investment requirement.

36 As used in this subitem, 'taxpayer' includes a person who bears
37 a relationship to the taxpayer as described in Section 267(b) of the
38 Internal Revenue Code.

39 ~~(68) any property sold to the public through a sheriff's sale as~~
40 ~~provided by law. Reserved~~

41 (69) [Reserved]

42 ~~(70)(a) gold, silver, or platinum bullion, or any combination of~~
43 ~~this bullion;~~

1 ~~(b) coins that are or have been legal tender in the United~~
2 ~~States or other jurisdiction; and~~

3 ~~(e) currency.~~

4 ~~The department shall prescribe documentation that must be~~
5 ~~maintained by retailers claiming the exemption allowed by this~~
6 ~~item. This documentation must be sufficient to identify each~~
7 ~~individual sale for which the exemption is claimed. Reserved~~

8 (71) any device, equipment, or machinery operated by hydrogen
9 or fuel cells, any device, equipment, or machinery used to
10 generate, produce, or distribute hydrogen and designated
11 specifically for hydrogen applications or for fuel cell applications,
12 and any device, equipment, or machinery used predominantly for
13 the manufacturing of, or research and development involving
14 hydrogen or fuel cell technologies. For purposes of this item:

15 (a) 'fuel cells' means a device that directly or indirectly
16 creates electricity using hydrogen (or hydrocarbon-rich fuel) and
17 oxygen through an electro-chemical process; and

18 (b) 'research and development' means laboratory, scientific,
19 or experimental testing and development of hydrogen or fuel cell
20 technologies. Research and development does not include
21 efficiency surveys, management studies, consumer surveys,
22 economic surveys, advertising, or promotion, or research in
23 connection with literary, historical, or similar projects.

24 (72) any building materials used to construct a new or renovated
25 building or any machinery or equipment located in a research
26 district. However, the amount of the sales tax that would be
27 assessed without the exemption provided by this section must be
28 invested by the taxpayer in hydrogen or fuel cell machinery or
29 equipment located in the same research district within twenty-four
30 months of the purchase of an exempt item.

31 ~~'Research district' means land owned by the State, a county, or~~
32 ~~other public entity that is designated as a research district by the~~
33 ~~University of South Carolina, Clemson University, the Medical~~
34 ~~University of South Carolina, South Carolina State University, or~~
35 ~~the Savannah River National Laboratory. Reserved~~

36 ~~(73) an amusement park ride and any parts, machinery, and~~
37 ~~equipment used to assemble, operate, and make up an amusement~~
38 ~~park ride or performance venue facility located in a qualifying~~
39 ~~amusement park or theme park and any related or required~~
40 ~~machinery, equipment, and fixtures located in the same qualifying~~
41 ~~amusement park or theme park.~~

42 (a) To qualify for the exemption, the taxpayer shall meet the
43 investment and job requirements provided in subsubitem (i) of

1 subitem (b) over a five year period beginning on the date of the
2 taxpayer's first use of this exemption. The taxpayer shall notify
3 the Department of Revenue of its intent to qualify and use this
4 exemption and upon receipt of the notification, the department
5 shall issue an appropriate exemption certificate to the taxpayer to
6 be used for qualifying purposes under this item. Within six
7 months after the fifth anniversary of the taxpayer's first use of this
8 exemption, the taxpayer shall notify the department, in writing,
9 that it has or has not met the investment and job requirements of
10 this item. If the taxpayer fails to meet the investment and job
11 requirements, the taxpayer shall pay to the State the amount of the
12 tax that would have been paid but for this exemption. The running
13 of the periods of limitations for assessment of taxes provided in
14 Section 12-54-85 is suspended for this time period beginning with
15 the taxpayer's first use of this exemption and ending with notice to
16 the department that the taxpayer has or has not met the investment
17 and job requirements of this item.

18 (b) For purposes of this item:

19 (i) 'Qualifying amusement park or theme park' means a
20 park that is constructed and operated by a taxpayer who makes a
21 capital investment of at least two hundred fifty million dollars at a
22 single site and creates at least two hundred fifty full time jobs and
23 five hundred part time or seasonal jobs.

24 (ii) 'Related or required machinery, equipment, and
25 fixtures' means an ancillary apparatus used for or in conjunction
26 with an amusement park ride or performance venue facility, or
27 both, including, but not limited to, any foundation, safety fencing
28 and equipment, ticketing, monitoring device, computer equipment,
29 lighting, music equipment, stage, queue area, housing for a ride,
30 electrical equipment, power transformers, and signage.

31 (iii) 'Performance venue facility' means a facility for a live
32 performance, nonlive performance, including any animatronics and
33 computer generated performance, and firework, laser, or other
34 pyrotechnic show.

35 (iv) 'Taxpayer' means a single taxpayer or, collectively, a
36 group of one or more affiliated taxpayers. An 'affiliated taxpayer'
37 means a person or entity related to the taxpayer that is subject to
38 common operating control and that is operated as part of the same
39 system or enterprise. The taxpayer is not required to own a
40 majority of the voting stock of the affiliate. Reserved

41 (74) durable medical equipment and related supplies:

42 (a) as defined under federal and state Medicaid and
43 Medicare laws;

1 (b) which is paid directly by funds of this State or the United
2 States under the Medicaid or Medicare programs, where state or
3 federal law or regulation authorizing the payment prohibits the
4 payment of the sale or use tax; and

5 (c) sold by a provider who holds a South Carolina retail
6 sales license and whose principal place of business is located in
7 this State.

8 (75) unprepared food that lawfully may be purchased with
9 United States Department of Agriculture food coupons. However,
10 the exemption allowed by this item applies only to the state sales
11 and use tax imposed pursuant to this chapter.

12 ~~(76) sales of handguns as defined pursuant to Section~~
13 ~~16-23-10(1), rifles, and shotguns during the forty eight hours of~~
14 ~~the Second Amendment Weekend. For purposes of this item, the~~
15 ~~'Second Amendment Weekend' begins at 12:01 a.m. on the Friday~~
16 ~~after Thanksgiving and ends at twelve midnight the following~~
17 ~~Saturday. Reserved~~

18 ~~(77) Energy efficient products purchased for nonecommercial~~
19 ~~home or personal use with a sales price of two thousand five~~
20 ~~hundred dollars per product or less.~~

21 ~~(a) For the purposes of this exemption, an 'energy efficient~~
22 ~~product' is any energy efficient product for nonecommercial home~~
23 ~~or personal use consisting of any dishwasher, clothes washer, air~~
24 ~~conditioner, ceiling fan, fluorescent light bulb, dehumidifier,~~
25 ~~programmable thermostat, refrigerator, door, or window, the~~
26 ~~energy efficiency of which has been designated by the United~~
27 ~~States Environmental Protection Agency and the United States~~
28 ~~Department of Energy as meeting or exceeding each agency's~~
29 ~~energy saving efficiency requirements or which have been~~
30 ~~designated as meeting or exceeding such requirements under each~~
31 ~~agency's ENERGY STAR program, and gas, oil, or propane water~~
32 ~~heaters with an energy factor of 0.80 or greater and electric water~~
33 ~~heaters with an energy factor of 2.0 or greater.~~

34 ~~(b) This exemption shall not apply to purchases of energy~~
35 ~~efficient products purchased for trade, business, or resale.~~

36 ~~(c) The exemption provided in this item applies only to sales~~
37 ~~occurring during a period commencing at 12:01 a.m. on October 1,~~
38 ~~2009, and concluding at 12:00 midnight on October 31, 2009,~~
39 ~~(National 'Energy Efficiency Month') and every year thereafter~~
40 ~~until 2019.~~

41 ~~(d) Each year until 2019, the State Energy Office shall~~
42 ~~prepare an annual report on the fiscal and energy impacts of the~~
43 ~~October first through October thirty first exemption and submit the~~

1 report to the General Assembly no later than January first of the
2 following year.

3 (e) ~~Beginning with the February 15, 2009, forecast by the~~
4 ~~Board of Economic Advisors of annual general fund revenue~~
5 ~~growth for the upcoming fiscal year, and annually after that, if the~~
6 ~~forecast of that growth then and in any adjusted forecast made~~
7 ~~before the beginning of the fiscal year equals at least five percent~~
8 ~~of the most recent estimate by the board of general fund revenues~~
9 ~~for the current fiscal year, then the exemption allowed by this item~~
10 ~~shall be allowed for the applicable year. If the February fifteenth~~
11 ~~forecast or adjusted forecast annual general fund revenue growth~~
12 ~~for the upcoming fiscal year meets the requirement for the credit,~~
13 ~~the board promptly shall certify this result in writing to the~~
14 ~~department. Reserved~~

15 (78) ~~machinery and equipment, building and other raw~~
16 ~~materials, and electricity used in the operation of a facility owned~~
17 ~~by an organization which qualifies as a tax exempt organization~~
18 ~~pursuant to the Internal Revenue Code Section 501(c)(3) when the~~
19 ~~facility is principally used for researching and testing the impact of~~
20 ~~such natural hazards as wind, fire, water, earthquake, and hail on~~
21 ~~building materials used in residential, commercial, and agricultural~~
22 ~~buildings. To qualify for this exemption, the taxpayer shall notify~~
23 ~~the department of its intent to qualify and shall invest at least~~
24 ~~twenty million dollars in real or personal property at a single site in~~
25 ~~this State over the three year period beginning on the date~~
26 ~~provided by the taxpayer to the department in its notices. After the~~
27 ~~taxpayer notifies the department of its intent to qualify and use the~~
28 ~~exemption, the department shall issue an appropriate exemption~~
29 ~~certificate to the taxpayer to be used for qualifying purposes.~~
30 ~~Within six months of the third anniversary of the taxpayer's first~~
31 ~~use of the exemption, the taxpayer shall notify the department in~~
32 ~~writing that it has met the twenty million dollar investment~~
33 ~~requirement or, that it has not met the twenty million dollar~~
34 ~~investment requirement. The department may assess any tax due~~
35 ~~on the machinery and equipment purchased tax free pursuant to~~
36 ~~this item but due the State as a result of the taxpayer's failure to~~
37 ~~meet the twenty million dollar investment requirement. The~~
38 ~~running of the periods of limitations for assessment of taxes~~
39 ~~provided in Section 12-54-85 is suspended for the time period~~
40 ~~beginning with notice to the department before the taxpayer uses~~
41 ~~the exemption and ending with notice to the department that the~~
42 ~~taxpayer either has met or has not met the twenty million dollar~~
43 ~~investment requirement. Reserved"~~

1
2 B. This section takes effect July 1, 2012.
3
4 SECTION 2. Section 12-36-2620(2) of the 1976 Code is amended
5 to read:
6
7 “(2) a one percent tax, which must be credited as provided in
8 Section 59-21-1010(B). ~~The one percent tax specified in this item~~
9 ~~does not apply to sales to an individual eighty-five years of age or~~
10 ~~older purchasing tangible personal property for his own personal~~
11 ~~use, if at the time of sale, the individual requests the one percent~~
12 ~~exclusion from tax and provides the retailer with proof of age.”~~
13
14 SECTION 3. Sections 12-36-2130 and 12-36-2610 of the 1976
15 Code are repealed.
16
17 SECTION 4. The revenue generated pursuant to this Act must be
18 used to reduce the overall sales tax rate set forth in Sections
19 12-36-910 and 12-36-1110.
20
21 SECTION 5. The revenue generated pursuant to this Act must be
22 used to reduce the overall sales tax rate set forth in Sections
23 12-36-910 and 12-36-1110.
24
25 SECTION 6. A. The Joint Committee on Taxation, as established
26 by Act 334 of 2002, and contained in Chapter 41, Title 2, is
27 re-enacted under the same provisions as it was originally enacted
28 by Act 334 of 2002, except for the provisions of Section 2-41-60.
29
30 B. By September 1, 2012, the Joint Committee on Taxation shall
31 convene for the purpose of conducting a cost benefit analysis on
32 the provisions of Section 12-36-2120. The committee shall submit
33 a report to the Governor and the General Assembly detailing its
34 findings and recommendations. The report must be made available
35 to the public. The committee shall review the feasibility of the
36 exemptions as often as it deems appropriate, but no later than its
37 session every five years after the initial review.
38
39 SECTION 7. Except as otherwise provided this act takes effect
40 upon approval by the Governor.
41 ----XX----
42