

# **REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE**

(Loftis, Cobb-Hunter, J.R. Smith, Edge & Ott - Staff Contact: Daniel Boan)

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## **SENATE BILL 1409**

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S. 1409 -- Senator Alexander: A BILL TO AMEND SECTION 6-34-40, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TAX CREDITS FOR REHABILITATION EXPENSES, SO AS TO CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST FRANCHISE TAXES ON BANKS; TO AMEND SECTION 12-4-320, AS AMENDED, RELATING TO POWERS AND DUTIES OF THE DEPARTMENT OF REVENUE, SO AS TO ALLOW THE DEPARTMENT TO GRANT RELIEF PERIODS GRANTED BY THE INTERNAL REVENUE SERVICE; TO AMEND SECTION 12-6-50, AS AMENDED, RELATING TO INTERNAL REVENUE CODE SECTIONS SPECIFICALLY NOT ADOPTED, SO AS TO NOT ADOPT SECTION 7508; TO AMEND SECTION 12-6-590, RELATING TO THE TREATMENT OF "S" CORPORATIONS FOR TAX PURPOSES, SO AS TO IMPOSE A TAX ON CERTAIN INCOME IF THE INTERNAL REVENUE CODE IMPOSES A SIMILAR TAX; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO THE JOBS TAX CREDIT, SO AS TO AMEND THE DEFINITION OF "NEW JOB"; TO AMEND SECTION 12-6-3535, AS AMENDED, RELATING TO THE INCOME TAX CREDIT FOR REHABILITATION EXPENSES, SO AS TO CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST FRANCHISE TAXES ON BANKS; TO AMEND SECTION 12-6-3630, RELATING TO INCOME TAX CREDITS FOR HYDROGEN RESEARCH CONTRIBUTIONS, SO AS TO CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST FRANCHISE TAXES ON BANKS; TO AMEND SECTION 12-6-4910, AS AMENDED, RELATING TO THE REQUIREMENT TO FILE AN INCOME TAX RETURN, SO AS TO INCREASE THE STANDARD DEDUCTION FOR INDIVIDUALS OVER SIXTY-FIVE AS PROVIDED IN THE INTERNAL REVENUE CODE; TO AMEND SECTION 12-37-220, AS AMENDED, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO CORRECT A CROSS-REFERENCE; TO AMEND SECTION 12-43-260, RELATING TO COUNTIES WILFUL FAILURE TO COMPLY WITH THE ASSESSMENT PROGRAM, SO AS TO PROVIDE THAT THE DEPARTMENT SHALL MAKE A DETERMINATION THAT IS SUBJECT TO REVIEW BY THE ADMINISTRATIVE LAW COURT; TO AMEND SECTION 12-44-110, AS AMENDED, RELATING TO FEE IN LIEU OF TAX, SO AS TO UPDATE A TERM; TO AMEND SECTION 12-54-240, AS AMENDED, RELATING TO THE DISCLOSURE OF RECORDS FILED WITH THE DEPARTMENT, SO AS TO PROVIDE THAT IN ORDER FOR A CONVICTION FOR UNLAWFULLY DIVULGING RECORDS, A PERSON MUST WILFULLY DIVULGE, AND TO PROVIDE THAT PRIOR TO DISMISSING AN EMPLOYEE FOR A VIOLATION, THE EMPLOYEE MUST BE CONVICTED; TO AMEND SECTION 12-60-50, AS AMENDED, RELATING TO THE OCCURRENCE OF A FILING PERIOD ENDING ON A HOLIDAY, SO AS TO RECOGNIZE A HOLIDAY RECOGNIZED BY THE INTERNAL REVENUE SERVICE; TO AMEND SECTION 12-60-90, AS AMENDED, RELATING TO THE ADMINISTRATIVE TAX PROCESS, SO AS TO CORRECT CROSS-REFERENCES AND FURTHER DEFINE TERMS; TO AMEND SECTION 12-65-30, AS AMENDED, RELATING TO THE CREDIT FOR EXPENSES RELATED TO THE REHABILITATION OF A TEXTILE MILL, SO AS TO CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST FRANCHISE TAXES ON BANKS; AND

TO AMEND SECTION 44-43-1360, AS AMENDED, RELATING TO ADMINISTRATIVE EXPENSES FOR DONATE LIFE SOUTH CAROLINA, SO AS TO CORRECT A CROSS-REFERENCE.

***Summary of Bill:***

This bill clarifys that tax credits for rehabilitation expenses under the Retail Facilities Revitization Act apply to franchise taxes on banks. It expands the Dpartment of Revenue's ability to grant a relief period to taxpayers impacted by war, natural disaster, or terrorist act and other tehcnical changes.

***Introduced:*** 5/1/2012

***Received by Ways and Means:*** 5/1/2012

***Estimated Fiscal Impact:***

Pending

***Subcommittee Recommendation:***

Favorable with Amendments

***Full Committee Recommendation:***

Pending

***Other Notes/Comments:***

The subcommittee reccomended five amendments to S.1409:

1. Expands availability of tire manufacturer tax credits to companies that invest at least \$400 million in capital investment and to employ 1200 full-time employees by 2022.
2. Allows DOR to waive penalties for late tax filing due to reasonable cause.
3. Attaches H.3720, a bill passed by the House. It reduces the job number requirements for the jobs tax credit and revises the definition "Technology Intensive Facility" to include data centers, biotechnology research, and sciences research.
4. Attaches H.3346, a bill passed by the House. It grants a tax credit equal to 35% of the costs of solar energy equipment.
5. Attaches H.5049, a bill passed by the House. It deals with appeals of assessment values of owner-occupied homes. Requires assessor to state with particularity any basis for a fair market value greater than a purchase price. Expands appeal window to 30 days after tax bill receipt. Provides a purchaser may appeal FMV the tax year of the purchase. Places the burden of proof on assessor after an appeal.

HOUSE  
AMENDMENT

THIS AMENDMENT  
ADOPTED

GOOD/DOWNEY  
MAY 18, 2012

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CLERK OF THE HOUSE

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THE PROPOSES THE FOLLOWING AMENDMENT No. TO S.  
1409 (COUNCIL\NBD\12479DG12):

REFERENCE IS TO PRINTER'S DATE 4/25/12-S.

**AMEND THE BILL, AS AND IF AMENDED, BY  
ADDING APPROPRIATELY NUMBERED SECTIONS  
TO READ:**

**/ SECTION \_\_\_\_ . SECTION 12-14-80 OF THE  
1976 CODE, AS LAST AMENDED BY ACT 354 OF  
2008, IS FURTHER AMENDED TO READ:**

**SECTION 12-14-80. (A) THERE IS ALLOWED  
AN INVESTMENT TAX CREDIT FOR ANY TAXABLE  
YEAR IN WHICH ~~THE TAXPAYER PLACES IN~~  
~~SERVICE~~ QUALIFIED MANUFACTURING AND**

**PRODUCTIVE EQUIPMENT ~~AND WHICH~~ ACQUIRED**  
**OR LEASED BY THE TAXPAYER IS PLACED IN**  
**SERVICE IF THE TAXPAYER:**

**(1)(A) IS ENGAGED IN THIS STATE ~~IN AT~~**  
**~~LEAST ONE ECONOMIC IMPACT ZONE, AS DEFINED~~**  
**~~IN SECTION 12-14-30(1),~~ IN AN ACTIVITY OR**  
**ACTIVITIES LISTED UNDER THE NORTH**  
**AMERICAN INDUSTRY CLASSIFICATION SYSTEM**  
**MANUAL (NAICS) SECTION 326;**

**~~(2)(B)~~ IS EMPLOYING FIVE THOUSAND OR**  
**MORE FULL-TIME WORKERS IN THIS STATE AND**  
**HAVING A TOTAL CAPITAL INVESTMENT IN THIS**  
**STATE OF NOT LESS THAN TWO BILLION**  
**DOLLARS; AND**

**~~(3)(C)~~ COMMITS TO INVEST FIVE**  
**HUNDRED MILLION DOLLARS IN CAPITAL**  
**INVESTMENT IN THIS STATE BETWEEN JANUARY**  
**1, 2006, AND JULY 1, 2011; OR**

**(2)(A) IS ENGAGED IN THIS STATE IN AN**  
**ACTIVITY OR ACTIVITIES LISTED UNDER THE**  
**NORTH AMERICAN INDUSTRY CLASSIFICATION**  
**SYSTEM MANUAL (NAICS) SECTION 326;**

(B) COMMITS TO EMPLOYING ONE THOUSAND TWO HUNDRED FULL-TIME EMPLOYEES IN THIS STATE BY JANUARY 1, 2022; AND

(C) COMMITS TO INVEST FOUR HUNDRED MILLION DOLLARS IN CAPITAL INVESTMENT IN THIS STATE BETWEEN SEPTEMBER 1, 2011, AND JANUARY 1, 2022.

(B) FOR PURPOSES OF THIS SECTION,:

(1) 'QUALIFIED MANUFACTURING AND PRODUCTIVE EQUIPMENT PROPERTY' MEANS PROPERTY THAT SATISFIES THE REQUIREMENTS OF SECTION 12-14-60(B)(1)(A), (B), AND (C);

(2) 'TAXPAYER' INCLUDES THE TAXPAYER AND ANY PERSON THAT DIRECTLY OR INDIRECTLY, THROUGH ONE OR MORE INTERMEDIARIES, CONTROLS, IS CONTROLLED BY, OR IS UNDER COMMON CONTROL WITH THE TAXPAYER. FOR PURPOSES OF THIS ITEM, A PERSON CONTROLS ANOTHER PERSON IF THAT PERSON HOLD FIFTY PERCENT OWNERSHIP INTEREST IN THE OTHER PERSON.

(3) 'CAPITAL INVESTMENT IN THIS STATE' INCLUDES PROPERTY THAT IS:

(A) CAPITALIZED BY THE TAXPAYER;

(B) SUBJECT TO A CAPITAL LEASE WITH THE TAXPAYER;

OR

(C) SUBJECT TO AN OPERATING LEASE WITH THE TAXPAYER.

QUALIFIED MANUFACTURING AND PRODUCTIVE EQUIPMENT PROPERTY THAT IS LEASED TO THE TAXPAYER SHALL BE TREATED AS PLACED IN SERVICE BY THE TAXPAYER ON THE DATE THE LEASE BEGINS.

(C)(1) THE AMOUNT OF THE CREDIT ALLOWED BY THIS SECTION IS EQUAL TO THE AGGREGATE AMOUNT COMPUTED BASED ON SECTION 12-14-60(A)(2).

(2) NOTWITHSTANDING ITEM (1), IN THE EVENT THAT THE TAXPAYER IS THE LESSEE OF THE PROPERTY FOR WHICH THE CREDIT IS ALLOWABLE AND IS NOT TREATED AS THE INCOME TAX OWNER OF SUCH PROPERTY, THE BASIS OF THE PROPERTY FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT FOR THE TAXPAYER AND THE CAPITAL INVESTMENT MADE BY THE TAXPAYER WITH RESPECT THE PROPERTY SHALL BE THE THEN DETERMINED TAX BASIS, AS OF THE DATE THE LEASE BEGINS, FOR PURPOSES OF CALCULATING INCOME TAX IN THIS STATE IN SUCH PROPERTY OF THE INCOME TAX OWNER OF SUCH PROPERTY. IN THIS INSTANCE, THE TAXPAYER MUST INCLUDE A CERTIFICATION THAT:

(A) THE LESSOR HAS PROVIDED A WRITTEN STATEMENT TO THE LESSEE AS TO THE LESSOR'S THEN DEPRECIATED INCOME TAX BASIS;

(B) THE PROPERTY HAS NOT BEEN SUBJECT TO A PRIOR INVESTMENT TAX CREDIT UNDER THIS SECTION; AND

(C) THE TAXPAYER WILL INCLUDE IN TAXABLE INCOME THE AMOUNTS REQUIRED UNDER SUBSECTION (H). NOTWITHSTANDING SECTION 12-54-240, THE DEPARTMENT MAY SHARE BETWEEN AND

**AMONG THE TAXPAYER OR THE LESSOR INFORMATION RELATED TO THE ITEMS CERTIFIED PURSUANT TO SUBITEMS (A) AND (B) OR TO THE CLASS LIFE OF EQUIPMENT WITH RESPECT TO WHICH A CREDIT UNDER THIS SECTION HAS BEEN CLAIMED.**

**(D) A TAXPAYER THAT QUALIFIES FOR THE TAX CREDIT ALLOWED BY THIS SECTION MAY CLAIM THE CREDIT ALLOWED BY THIS SECTION IN ADDITION TO THE CREDIT ALLOWED BY SECTION 12-6-3360 AS A CREDIT AGAINST WITHHOLDING TAXES IMPOSED BY CHAPTER 8 OF THIS TITLE. THE TAXPAYER MUST FIRST APPLY THE CREDIT ALLOWED BY THIS SECTION AND SECTION 12-6-3360 AGAINST INCOME TAX LIABILITY. TO THE EXTENT THAT THE TAXPAYER HAS UNUSED CREDIT PURSUANT TO THIS SECTION, INCLUDING THE CREDIT ALLOWED BY SECTION 12-6-3360, FOR THE TAXABLE YEAR AFTER THE APPLICATION OF THE CREDITS ALLOWED BY THIS SECTION AND SECTION 12-6-3360 AGAINST INCOME TAX LIABILITY, THE TAXPAYER MAY CLAIM THE EXCESS CREDIT AS A CREDIT AGAINST WITHHOLDING TAXES ON ITS FOUR QUARTERLY WITHHOLDING TAX RETURNS FOR THE TAXPAYER'S TAXABLE YEAR; EXCEPT THAT THE CREDIT CLAIMED AGAINST WITHHOLDING TAX MAY NOT EXCEED FIFTY PERCENT OF THE WITHHOLDING TAX SHOWN AS DUE ON THE RETURN BEFORE THE APPLICATION OF OTHER CREDITS INCLUDING OTHER CREDITS PURSUANT TO SECTION 12-10-80 OR 12-10-81. FOR THE PERIOD JULY 1, 2007, TO JUNE 30, 2008, A TAXPAYER USING THIS SECTION MAY NOT REDUCE ITS STATE WITHHOLDING TAX TO LESS THAN THE WITHHOLDING TAX REMITTED FOR THE PERIOD JUNE 30, 2006, TO JULY 1, 2007.**

**(E) UNUSED CREDITS ALLOWED PURSUANT TO THIS SECTION MAY BE CARRIED FORWARD FOR USE IN A SUBSEQUENT TAX YEAR. DURING THE FIRST TEN YEARS OF EACH TAX CREDIT CARRYFORWARD, THE CREDIT MAY NOT REDUCE A TAXPAYER'S STATE INCOME TAX LIABILITY BY MORE THAN FIFTY PERCENT, AND FOR A SUBSEQUENT YEAR THE CREDIT CARRYFORWARD MAY NOT REDUCE A TAXPAYER'S STATE INCOME TAX LIABILITY BY MORE THAN TWENTY-FIVE PERCENT.**

INVESTMENT TAX CREDIT CARRYFORWARDS PURSUANT TO THIS SECTION AND CREDIT CARRYFORWARDS PURSUANT TO SECTION 12-6-3360 MUST FIRST BE USED AS A CREDIT AGAINST INCOME TAXES FOR THAT YEAR. ANY EXCESS MAY BE USED PURSUANT TO SUBSECTION (D) AS A CREDIT AGAINST WITHHOLDING TAXES; EXCEPT THAT THE LIMITATIONS OF SUBSECTION (D) APPLY EACH YEAR AND THE ~~ECONOMIC IMPACT ZONE TAX~~ CREDIT CARRYFORWARDS THAT EXISTED ON THE EFFECTIVE DATE OF ACT 83 OF 2007 FOR TAXPAYERS QUALIFYING UNDER SUBSECTION (A)(1) AND ON THE EFFECTIVE DATE OF THE QUALIFICATION FOR TAXPAYERS QUALIFYING UNDER SUBSECTION (A)(2), MAY NOT BE USED TO REDUCE WITHHOLDING TAX LIABILITIES PURSUANT TO THIS SECTION.

(F) THE AMOUNT OF CREDIT USED AGAINST WITHHOLDING TAXES MUST REDUCE THE AMOUNT OF CREDIT THAT MAY BE USED AGAINST INCOME TAX LIABILITY. ~~THE AMOUNT OF CREDIT USED AGAINST WITHHOLDING TAXES MUST REDUCE THE AMOUNT OF CREDIT THAT MAY BE USED AGAINST INCOME TAXES.~~

(G) IF THE TAXPAYER DISPOSES OF OR REMOVES QUALIFIED MANUFACTURING AND PRODUCTIVE EQUIPMENT PROPERTY FROM THE STATE DURING ANY TAXABLE YEAR AND BEFORE THE END OF APPLICABLE RECOVERY PERIOD FOR SUCH PROPERTY AS DETERMINED UNDER SECTION 168(E) OF THE INTERNAL REVENUE CODE, THEN THE INCOME TAX DUE PURSUANT TO THIS CHAPTER FOR THE CURRENT TAXABLE YEAR MUST BE INCREASED BY AN AMOUNT OF ANY CREDIT CLAIMED IN PRIOR YEARS WITH RESPECT TO THAT PROPERTY, DETERMINED BY ASSUMING THE CREDIT IS EARNED RATABLY OVER THE USEFUL LIFE OF THE PROPERTY AND RECAPTURING PRO RATA THE UNEARNED PORTION OF THE CREDIT. THIS RECAPTURE APPLIES TO CREDIT PREVIOUSLY CLAIMED AS A CREDIT AGAINST INCOME TAXES PURSUANT TO THIS CHAPTER OR WITHHOLDING TAX PURSUANT TO CHAPTER 8. FOR PURPOSES OF THIS SUBSECTION, THE FOLLOWING RULES APPLY FOR DETERMINING WHETHER A TAXPAYER THAT IS A



**LESSEE OF QUALIFIED MANUFACTURING AND PRODUCTIVE EQUIPMENT  
PROPERTY HAS DISPOSED OF THE PROPERTY:**

**(1) A TRANSFER OF THE PROPERTY BY THE LESSEE TO THE  
LESSOR IN A SALE-LEASEBACK TRANSACTION SHALL BE IGNORED;**

**(2) A DISPOSITION BY THE LESSOR OF THE PROPERTY SHALL  
NOT BE TREATED AS A DISPOSITION PROVIDED THAT THE LEASE IS NOT  
TERMINATED AND THE TAXPAYER REMAINS LESSEE THEREUNDER;**

**(3) IF THE TAXPAYER LESSEE ACTUALLY PURCHASES THE  
PROPERTY IN ANY TAXABLE YEAR, THE PURCHASE SHALL NOT BE  
TREATED AS A DISPOSITION; AND**

**(4) IF THE LEASE IS TERMINATED AND THE PROPERTY IS  
TRANSFERRED BY THE LESSEE TO THE LESSOR OR TO ANY OTHER  
PERSON, OTHER THAN THE TAXPAYER, THE TRANSFER IS CONSIDERED  
TO BE A DISPOSITION BY THE TAXPAYER LESSEE.**

**(H)(1) FOR SOUTH CAROLINA INCOME TAX PURPOSES, EXCEPT AS  
OTHERWISE PROVIDED IN ITEM (2), THE BASIS OF THE QUALIFIED  
MANUFACTURING AND PRODUCTIVE EQUIPMENT PROPERTY MUST BE  
REDUCED BY THE AMOUNT OF ANY CREDIT CLAIMED WITH RESPECT TO  
THE PROPERTY, WHETHER CLAIMED AS A CREDIT AGAINST INCOME  
TAXES OR WITHHOLDING. IF A TAXPAYER IS REQUIRED TO RECAPTURE  
THE CREDIT IN ACCORDANCE WITH SUBSECTION (G), THE TAXPAYER  
MAY INCREASE THE BASIS OF THE PROPERTY BY THE AMOUNT OF BASIS  
REDUCTION ATTRIBUTABLE TO CLAIMING THE CREDIT IN PRIOR YEARS.  
THE BASIS MUST BE INCREASED IN THE YEAR IN WHICH THE CREDIT IS  
RECAPTURED.**

**(2) NOTWITHSTANDING ITEM (1), IF THE TAXPAYER IS THE  
LESSEE OF THE QUALIFIED MANUFACTURING AND PRODUCTIVE  
EQUIPMENT PROPERTY FOR WHICH CREDIT HAS BEEN TAKEN BY THE  
TAXPAYER, IN LIEU OF ANY ADJUSTMENT TO THE BASIS OF SUCH  
PROPERTY, THE TAXPAYER SHALL INCLUDE IN ITS TAXABLE INCOME  
FOR SOUTH CAROLINA INCOME TAX PURPOSES, AN AMOUNT EQUAL TO  
THE AMOUNT OF THE CREDIT THAT IS EARNED DURING SUCH TAXABLE  
YEAR IN ACCORDANCE WITH SUBSECTION (G).**

**(1)(1) FOR TAXPAYERS QUALIFYING UNDER SUBSECTION (A)(1), A CREDIT MUST NOT BE TAKEN PURSUANT TO THIS SECTION FOR CAPITAL INVESTMENTS PLACED IN SERVICE ~~OUTSIDE OF AN ECONOMIC IMPACT ZONE~~ UNTIL THE TAXPAYER HAS INVESTED TWO HUNDRED MILLION DOLLARS OF THE FIVE HUNDRED MILLION-DOLLAR INVESTMENT REQUIREMENT DESCRIBED IN SUBSECTION (A)(3), (1)(C) AND THE TAXPAYER FILES A STATEMENT WITH THE DEPARTMENT STATING THAT IT: (I) COMMITS TO INVEST A TOTAL OF FIVE HUNDRED MILLION DOLLARS IN THIS STATE BETWEEN JANUARY 1, 2006, AND JULY 1, 2011; AND (II) SHALL REFUND ANY CREDIT RECEIVED WITH INTEREST AT THE RATE PROVIDED FOR UNDERPAYMENTS OF TAX IF IT FAILS TO MEET THE REQUIREMENT OF SUBSECTION (A)(3)(1)(C).**

**(2) FOR TAXPAYERS QUALIFYING UNDER SUBSECTION (A)(2), A CREDIT MUST NOT BE TAKEN PURSUANT TO THIS SECTION FOR CAPITAL INVESTMENTS IN THIS STATE UNTIL THE TAXPAYER HAS INVESTED TWO HUNDRED MILLION DOLLARS OF THE FOUR HUNDRED MILLION DOLLAR INVESTMENT REQUIREMENT DESCRIBED IN SUBSECTION (A)(2)(C) AND THE TAXPAYER FILES A STATEMENT WITH THE DEPARTMENT STATING THAT IT:**

**(I) COMMITS TO INVEST A TOTAL OF FOUR HUNDRED MILLION DOLLARS IN THIS STATE BETWEEN SEPTEMBER 1, 2011, AND JANUARY 1, 2022;**

**(II) COMMITS TO EMPLOY A TOTAL OF ONE THOUSAND TWO HUNDRED FULL-TIME EMPLOYEES IN THIS STATE BY JANUARY 1, 2022; AND**

**(III) SHALL REFUND ANY CREDIT RECEIVED WITH INTEREST AT THE RATE PROVIDED FOR UNDERPAYMENTS OF TAX IF IT FAILS TO MEET THE REQUIREMENTS OF SUBSECTION (A)(2)(B) OR (C).**

**THIS THE STATEMENT AND PROOF OF QUALIFICATION MUST BE FILED WITH THE NOTICE REQUIRED IN SUBSECTION (J). CREDIT IS NOT ALLOWED PURSUANT TO THIS SECTION FOR PROPERTY PLACED IN SERVICE BEFORE JUNE 30, 2007, FOR TAXPAYERS QUALIFYING UNDER SUBSECTION (A)(1) OR FOR PROPERTY PLACED IN SERVICE BEFORE**

**SEPTEMBER 1, 2011 FOR TAXPAYERS QUALIFYING UNDER SUBSECTION (A)(2).** FOR CREDIT CLAIMED BEFORE THE INVESTMENT OF THE FULL FIVE HUNDRED MILLION DOLLARS PURSUANT TO SUBSECTION (A)(1)(C) OR FOUR HUNDRED MILLION DOLLARS PURSUANT TO SUBSECTION (A)(2)(C), THE COMPANY CLAIMING THE CREDIT MUST EXECUTE A WAIVER OF THE STATUTE OF LIMITATIONS PURSUANT TO SECTION 12-54-85, ALLOWING THE DEPARTMENT TO ASSESS THE TAX FOR A PERIOD COMMENCING WITH THE DATE THAT THE RETURN ON WHICH THE CREDIT IS CLAIMED IS FILED AND ENDING THREE YEARS AFTER THE COMPANY NOTIFIES THE DEPARTMENT THAT THE ~~FULL FIVE HUNDRED MILLION DOLLAR~~ APPLICABLE CAPITAL INVESTMENT COMMITMENT HAS BEEN MADE. A WAIVER OF THE STATUTE OF LIMITATIONS MUST ACCOMPANY THE RETURN ON WHICH THE CREDIT IS CLAIMED.

**(J) THE TAXPAYER SHALL NOTIFY THE DEPARTMENT AS PROVIDED IN SUBSECTION (I) BEFORE TAKING ANY CREDITS PURSUANT TO THIS SECTION.** ~~THE TAXPAYER SHALL STATE IT HAS MET THE REQUIREMENTS OF SUBSECTION (A).~~ ADDITIONALLY, IN A TAXABLE YEAR AFTER THE YEAR OF QUALIFICATION FOR CREDIT PURSUANT TO THIS SECTION, THE TAXPAYER SHALL INCLUDE WITH ITS TAX RETURN FOR THAT YEAR: (I) A STATEMENT THAT THE TAXPAYER HAS CONTINUED TO MEET THE REQUIREMENTS OF SUBSECTIONS (A)(1)(A) AND (B) OR SUBSECTIONS (A)(2)(A) AND (B); (II) THE RECONCILIATION REQUIRED IN SUBSECTION (D); AND (III) ANY STATEMENT AND SUPPORT FOR SUBSECTION (I).”

**SECTION \_\_\_\_.** CHAPTER 54, TITLE 12 OF THE 1976 CODE IS AMENDED BY ADDING:

**“SECTION 12-54-87. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR PURPOSES OF DISCOUNTS ALLOWED FOR TIMELY FILING OF RETURNS, IF THE DEPARTMENT WAIVES ALL PENALTIES FOR LATE FILING DUE TO REASONABLE CAUSE, THE DISCOUNT MUST BE ALLOWED DESPITE THE LATE FILING.”**

**SECTION \_\_. SECTION 12-6-3360(M)(13) AND (14) OF THE 1976 CODE, AS LAST AMENDED BY ACT 290 OF 2010, IS FURTHER AMENDED TO READ:**

**‘(13) ‘QUALIFYING SERVICE-RELATED FACILITY’ MEANS:**

**(A) AN ESTABLISHMENT ENGAGED IN AN ACTIVITY OR ACTIVITIES LISTED UNDER THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM MANUAL (NAICS) SECTION 62, SUBSECTORS 621, 622, AND 623; OR**

**(B) A BUSINESS, OTHER THAN A BUSINESS ENGAGED IN LEGAL, ACCOUNTING, BANKING, OR INVESTMENT SERVICES (INCLUDING A BUSINESS IDENTIFIED UNDER NAICS SECTION 55) OR RETAIL SALES, WHICH HAS A NET INCREASE OF AT LEAST:**

**(I) ~~TWO~~ ONE HUNDRED ~~FIFTY~~ SEVENTY-FIVE JOBS AT A SINGLE LOCATION;**

**(II) ONE HUNDRED FIFTY JOBS AT A SINGLE LOCATION COMPRISED OF A BUILDING OR PORTION OF BUILDING THAT HAS BEEN VACANT FOR AT LEAST TWELVE CONSECUTIVE MONTHS PRIOR TO THE TAXPAYER’S INVESTMENT;**

**(III) ~~ONE~~ HUNDRED ~~TWENTY-FIVE~~ JOBS AT A SINGLE LOCATION AND THE JOBS HAVE AN AVERAGE CASH COMPENSATION LEVEL OF MORE THAN ONE AND ONE-HALF TIMES THE LOWER OF STATE PER CAPITA INCOME OR PER CAPITA INCOME IN THE COUNTY WHERE THE JOBS ARE LOCATED;**

**(~~HH~~)(IV) ~~SEVENTY-FIVE~~ FIFTY JOBS AT A SINGLE LOCATION AND THE JOBS HAVE AN AVERAGE CASH COMPENSATION LEVEL OF MORE THAN TWICE THE LOWER OF STATE PER CAPITA INCOME OR PER CAPITA INCOME IN THE COUNTY WHERE THE JOBS ARE LOCATED; OR**

**(~~IV~~)(V) ~~THIRTY~~ TWENTY-FIVE JOBS AT A SINGLE LOCATION AND THE JOBS HAVE AN AVERAGE CASH COMPENSATION LEVEL OF MORE THAN TWO AND ONE-HALF TIMES THE LOWER OF**

STATE PER CAPITA INCOME OR PER CAPITA INCOME IN THE COUNTY WHERE THE JOBS ARE LOCATED.

A TAXPAYER SHALL USE THE MOST RECENT PER CAPITA INCOME DATA AVAILABLE AS OF THE END OF THE TAXABLE YEAR IN WHICH THE JOBS ARE FILLED. DETERMINATION OF THE REQUIRED NUMBER OF JOBS IS IN ACCORDANCE WITH THE MONTHLY AVERAGE DESCRIBED IN SUBSECTION (F).

(14) 'TECHNOLOGY INTENSIVE FACILITY' MEANS:

(A) A FACILITY AT WHICH A FIRM ENGAGES IN THE DESIGN, DEVELOPMENT, AND INTRODUCTION OF NEW PRODUCTS OR INNOVATIVE MANUFACTURING PROCESSES, OR BOTH, THROUGH THE SYSTEMATIC APPLICATION OF SCIENTIFIC AND TECHNICAL KNOWLEDGE. INCLUDED IN THIS DEFINITION ARE THE FOLLOWING NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEMS, NAICS, CODES PUBLISHED BY THE OFFICE OF THE MANAGEMENT AND BUDGET OF THE FEDERAL GOVERNMENT:

(I) 5114 DATABASE AND DIRECTORY PUBLISHERS;

(II) 5112 SOFTWARE PUBLISHERS;

(III) 54151 COMPUTER SYSTEMS DESIGN AND RELATED SERVICES;

(IV) 541511 CUSTOM COMPUTER PROGRAMMING SERVICES;

(V) 541512 COMPUTER SYSTEMS DESIGN SERVICES;

(VI) ~~541710 SCIENTIFIC RESEARCH AND DEVELOPMENT SERVICES~~ 541711 RESEARCH AND DEVELOPMENT IN BIOTECHNOLOGY; 2007 NAICS;

(VII) 541712 RESEARCH AND DEVELOPMENT IN PHYSICAL, ENGINEERING, AND LIFE SCIENCES; 2007 NAICS;

(VIII) 518210 DATA PROCESSING, HOSTING, AND RELATED SERVICES;

(IX) 9271 SPACE RESEARCH AND TECHNOLOGY; OR

**(B) A FACILITY PRIMARILY USED FOR ONE OR MORE ACTIVITIES LISTED UNDER THE 2002 VERSION OF THE NAICS CODES 51811 (INTERNET SERVICE PROVIDERS AND WEB SEARCH PORTALS).”**

**SECTION \_\_. SECTION 12-20-105 OF THE 1976 CODE, AS LAST AMENDED BY ACT 290 OF 2010, IS FURTHER AMENDED TO READ:**

**“SECTION 12-20-105. (A) ANY COMPANY SUBJECT TO A LICENSE TAX UNDER SECTION 12-20-100 MAY CLAIM A CREDIT AGAINST ITS LICENSE TAX LIABILITY FOR AMOUNTS PAID IN CASH TO PROVIDE INFRASTRUCTURE FOR AN ELIGIBLE PROJECT.**

**(B)(1) TO BE CONSIDERED AN ELIGIBLE PROJECT FOR PURPOSES OF THIS SECTION, THE PROJECT MUST QUALIFY FOR INCOME TAX CREDITS UNDER CHAPTER 6, TITLE 12, WITHHOLDING TAX CREDIT UNDER CHAPTER 10, TITLE 12, INCOME TAX CREDITS UNDER CHAPTER 14, TITLE 12, OR FEES IN LIEU OF PROPERTY TAXES UNDER EITHER CHAPTER 12, TITLE 4, CHAPTER 29, TITLE 4, OR CHAPTER 44, TITLE 12.**

**(2) IF A PROJECT IS LOCATED IN AN OFFICE, BUSINESS, COMMERCIAL, OR INDUSTRIAL PARK, OR COMBINATION OF THESE, IS USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT AND IS OWNED OR CONSTRUCTED BY A COUNTY, POLITICAL SUBDIVISION, OR AGENCY OF THIS STATE WHEN THE QUALIFYING IMPROVEMENTS ARE PAID FOR, THE PROJECT DOES NOT HAVE TO MEET THE QUALIFICATIONS OF ITEM (1) TO BE CONSIDERED AN ELIGIBLE PROJECT. AS PROVIDED IN SUBSECTION (C)(4), THE COUNTY OR POLITICAL SUBDIVISION MAY SELL ALL OR A PORTION OF THE BUSINESS OR INDUSTRIAL PARK.**

**(C) FOR THE PURPOSE OF THIS SECTION, ‘INFRASTRUCTURE’ MEANS IMPROVEMENTS FOR WATER, WASTEWATER, HYDROGEN FUEL, SEWER, GAS, STEAM, ELECTRIC ENERGY, AND COMMUNICATION SERVICES MADE TO A BUILDING OR LAND THAT ARE CONSIDERED NECESSARY, SUITABLE, OR USEFUL TO AN ELIGIBLE PROJECT. THESE IMPROVEMENTS INCLUDE, BUT ARE NOT LIMITED TO:**

**(1) IMPROVEMENTS TO BOTH PUBLIC OR PRIVATE WATER AND SEWER SYSTEMS;**

**(2) IMPROVEMENTS TO BOTH PUBLIC OR PRIVATE ELECTRIC, NATURAL GAS, AND TELECOMMUNICATIONS SYSTEMS INCLUDING, BUT NOT LIMITED TO, ONES OWNED OR LEASED BY AN ELECTRIC COOPERATIVE, ELECTRIC UTILITY, OR ELECTRIC SUPPLIER, AS DEFINED IN CHAPTER 27, TITLE 58;**

**(3) FIXED TRANSPORTATION FACILITIES INCLUDING HIGHWAY, ROAD, RAIL, WATER, AND AIR;**

**(4) FOR A QUALIFYING PROJECT UNDER SUBSECTION (B)(2), INFRASTRUCTURE IMPROVEMENTS INCLUDE SHELL BUILDINGS, INCUBATOR BUILDINGS WHOSE OWNERSHIP IS RETAINED BY THE COUNTY, POLITICAL SUBDIVISION, OR AGENCY OF THE STATE AND THE PURCHASE OF LAND FOR AN OFFICE, BUSINESS, COMMERCIAL, OR INDUSTRIAL PARK, OR COMBINATION OF THESE, USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT WHICH IS OWNED OR CONSTRUCTED BY A COUNTY, POLITICAL SUBDIVISION, OR AGENCY OF THIS STATE. THE COUNTY, POLITICAL SUBDIVISION, OR AGENCY MAY SELL THE SHELL BUILDING OR ALL OR A PORTION OF THE PARK AT ANY TIME AFTER THE COMPANY HAS PAID IN CASH TO PROVIDE THE INFRASTRUCTURE FOR AN ELIGIBLE PROJECT; ~~AND~~**

**(5) FOR A QUALIFYING PROJECT PURSUANT TO SUBSECTION (B)(2), INFRASTRUCTURE IMPROVEMENTS ALSO INCLUDE DUE DILIGENCE EXPENDITURES RELATING TO ENVIRONMENTAL CONDITIONS MADE BY A COUNTY OR POLITICAL SUBDIVISION AFTER IT HAS ACQUIRED CONTRACTUAL RIGHTS TO AN INDUSTRIAL PARK. DUE DILIGENCE EXPENDITURES INCLUDE SUCH ITEMS AS PHASE I AND II STUDIES AND ENVIRONMENTAL OR ARCHEOLOGICAL STUDIES REQUIRED BY STATE OR FEDERAL STATUTES OR GUIDELINES OR SIMILAR LENDER REQUIREMENTS. CONTRACTUAL RIGHTS INCLUDE OPTIONS TO PURCHASE REAL PROPERTY OR OTHER SIMILAR CONTRACTUAL RIGHTS ACQUIRED BEFORE THE COUNTY OR POLITICAL**

**SUBDIVISION FILES A DEED TO THE PROPERTY WITH THE REGISTER OF MESNE CONVEYANCES; AND**

**(6) FOR A QUALIFYING PROJECT PURSUANT TO SUBSECTION (B)(2), SITE PREPARATION COSTS INCLUDE, BUT ARE NOT LIMITED TO:**

**(A) CLEARING, GRUBBING, GRADING, AND STORMWATER RETENTION; AND**

**(B) REFURBISHMENT OF BUILDINGS THAT ARE OWNED OR CONTROLLED BY A COUNTY OR MUNICIPALITY AND ARE USED EXCLUSIVELY FOR ECONOMIC DEVELOPMENT PURPOSES.**

**(D) A COMPANY IS NOT ALLOWED THE CREDIT PROVIDED BY THIS SECTION FOR ACTUAL EXPENSES IT INCURS IN THE CONSTRUCTION AND OPERATION OF ANY BUILDING OR INFRASTRUCTURE IT OWNS, LEASES, MANAGES, OR OPERATES.**

**(E) THE MAXIMUM AGGREGATE CREDIT THAT MAY BE CLAIMED IN ANY TAX YEAR BY A SINGLE COMPANY IS ~~THREE~~ FOUR HUNDRED THOUSAND DOLLARS.**

**(F) THE CREDITS ALLOWED BY THIS SECTION MAY NOT REDUCE THE LICENSE TAX LIABILITY OF THE COMPANY BELOW ZERO. IF THE APPLICABLE CREDIT ORIGINALLY EARNED DURING A TAXABLE YEAR EXCEEDS THE LIABILITY AND IS OTHERWISE ALLOWABLE UNDER SUBSECTION (D), THE AMOUNT OF THE EXCESS MAY BE CARRIED FORWARD TO THE NEXT TAXABLE YEAR.**

**(G) FOR SOUTH CAROLINA INCOME TAX AND LICENSE PURPOSES, A COMPANY THAT CLAIMS THE CREDIT ALLOWED BY THIS SECTION IS INELIGIBLE TO CLAIM THE CREDIT ALLOWED BY SECTION 12-6-3420.**

**(H) BY MARCH FIRST OF EACH YEAR, THE DEPARTMENT OF REVENUE SHALL ISSUE A REPORT TO THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE, THE CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE, AND THE SECRETARY OF THE DEPARTMENT OF COMMERCE OUTLINING THE HISTORY OF THE CREDIT ALLOWED PURSUANT TO THIS SECTION. THE REPORT SHALL INCLUDE THE AMOUNT OF CREDIT ALLOWED PURSUANT TO THIS SECTION AND THE TYPES OF INFRASTRUCTURE PROVIDED TO ELIGIBLE PROJECTS.”**



**SECTION \_\_. SECTION 12-44-30(21) OF THE 1976 CODE, AS LAST AMENDED BY ACT 290 OF 2010, IS FURTHER AMENDED TO READ:**

**“(21) ‘TERMINATION DATE’ MEANS THE DATE THAT IS THE LAST DAY OF A PROPERTY TAX YEAR THAT IS NO LATER THAN THE TWENTY-NINTH YEAR FOLLOWING THE FIRST PROPERTY TAX YEAR IN WHICH AN APPLICABLE PIECE OF ECONOMIC DEVELOPMENT PROPERTY IS PLACED IN SERVICE. A SPONSOR MAY APPLY TO THE COUNTY PRIOR TO THE TERMINATION DATE FOR AN EXTENSION OF THE TERMINATION DATE BEYOND THE TWENTY-NINTH YEAR UP TO TEN YEARS. THE COUNTY COUNCIL OF THE COUNTY SHALL APPROVE AN EXTENSION BY RESOLUTION UPON A FINDING OF SUBSTANTIAL PUBLIC BENEFIT. A COPY OF THE RESOLUTION MUST BE DELIVERED TO THE DEPARTMENT WITHIN THIRTY DAYS OF THE DATE THE RESOLUTION WAS ADOPTED. WITH RESPECT TO A FEE AGREEMENT INVOLVING AN ENHANCED INVESTMENT, THE TERMINATION DATE IS THE LAST DAY OF A PROPERTY TAX YEAR THAT IS NO LATER THAN THE THIRTY-NINTH YEAR FOLLOWING THE FIRST PROPERTY TAX YEAR IN WHICH AN APPLICABLE PIECE OF ECONOMIC DEVELOPMENT PROPERTY IS PLACED IN SERVICE. A SPONSOR MAY APPLY TO THE COUNTY BEFORE THE TERMINATION DATE FOR AN EXTENSION OF THE TERMINATION DATE BEYOND THE THIRTY-NINTH YEAR UP TO TEN YEARS. IF THE FEE AGREEMENT IS TERMINATED IN ACCORDANCE WITH SECTION 12-44-140, THE TERMINATION DATE IS THE DATE THE AGREEMENT IS TERMINATED.”**

**SECTION \_\_. SECTION 4-12-30(O) OF THE 1976 CODE, AS LAST AMENDED BY ACT 69 OF 2003, IS AMENDED BY ADDING AN APPROPRIATELY NUMBERED SUBITEM AT THE END TO READ:**

**“( ) UPON THE DIRECTION OF THE GOVERNING BODY OF THE COUNTY, A COUNTY OFFICIAL MAY REQUEST AND OBTAIN SUCH FINANCIAL BOOKS AND RECORDS FROM A SPONSOR THAT SUPPORT THE**

**SPONSOR'S FEE IN LIEU OF TAXES RETURN AS MAY BE REASONABLY NECESSARY TO VERIFY THE CALCULATIONS OF THE SPONSOR'S FEE IN LIEU OF TAXES PAYMENT OR THE CALCULATIONS OF THE SPONSOR'S SPECIAL SOURCE REVENUE CREDIT."**

**SECTION \_\_. SECTION 4-29-67(S) OF THE 1976 CODE, AS LAST AMENDED BY ACT 290 OF 2010, IS FURTHER AMENDED BY ADDING AN APPROPRIATELY NUMBERED SUBITEM AT THE END TO READ:**

**"( ) UPON THE DIRECTION OF THE GOVERNING BODY OF THE COUNTY, A COUNTY OFFICIAL MAY REQUEST AND OBTAIN SUCH FINANCIAL BOOKS AND RECORDS FROM A SPONSOR THAT SUPPORT THE SPONSOR'S FEE IN LIEU OF TAXES RETURN AS MAY BE REASONABLY NECESSARY TO VERIFY THE CALCULATIONS OF THE SPONSOR'S FEE IN LIEU OF TAXES PAYMENT OR THE CALCULATIONS OF THE SPONSOR'S SPECIAL SOURCE REVENUE CREDIT."**

**SECTION \_\_. SECTION 12-44-90 OF THE 1976 CODE, AS LAST AMENDED BY ACT 69 OF 2003, IS FURTHER AMENDED BY ADDING AN APPROPRIATELY NUMBERED SUBSECTION AT THE END TO READ:**

**"( ) UPON THE DIRECTION OF THE GOVERNING BODY OF THE COUNTY, A COUNTY OFFICIAL MAY REQUEST AND OBTAIN SUCH FINANCIAL BOOKS AND RECORDS FROM A SPONSOR THAT SUPPORT THE SPONSOR'S FEE IN LIEU OF TAXES RETURN AS MAY BE REASONABLY NECESSARY TO VERIFY THE CALCULATIONS OF THE SPONSOR'S FEE IN LIEU OF TAXES PAYMENT OR THE CALCULATIONS OF THE SPONSOR'S SPECIAL SOURCE REVENUE CREDIT."**

**SECTION \_\_. SECTION 12-36-2120 OF THE 1976 CODE, AS LAST AMENDED BY ACT 32 OF 2011, IS FURTHER AMENDED BY ADDING AN APPROPRIATELY NUMBERED SUBSECTION AT THE END TO READ:**

**“( )(A)(1) ORIGINAL OR REPLACEMENT COMPUTERS, COMPUTER EQUIPMENT, AND COMPUTER HARDWARE AND SOFTWARE PURCHASES USED WITHIN A DATACENTER; AND**

**(2) ELECTRICITY USED BY A DATACENTER AND ELIGIBLE BUSINESS PROPERTY TO BE LOCATED AND USED AT THE DATACENTER. THIS SUBITEM DOES NOT APPLY TO SALES OF ELECTRICITY FOR ANY OTHER PURPOSE, AND SUCH SALES ARE SUBJECT TO THE TAX, INCLUDING, BUT NOT LIMITED TO, ELECTRICITY USED IN ADMINISTRATIVE OFFICES, SUPERVISORY OFFICES, PARKING LOTS, STORAGE WAREHOUSES, MAINTENANCE SHOPS, SAFETY CONTROL, COMFORT AIR CONDITIONING, ELEVATORS USED IN CARRYING PERSONNEL, CAFETERIAS, CANTEENS, FIRST AID ROOMS, SUPPLY ROOMS, WATER COOLERS, DRINK BOXES, UNIT HEATERS AND WASTE HOUSE LIGHTS.**

**(B) AS USED IN THIS SECTION:**

**(1) ‘COMPUTER’ MEANS AN ELECTRONIC DEVICE THAT ACCEPTS INFORMATION IN DIGITAL OR SIMILAR FORM AND MANIPULATES IT FOR A RESULT BASED ON A SEQUENCE OF INSTRUCTIONS.**

**(2) ‘COMPUTER EQUIPMENT’ MEANS ORIGINAL OR REPLACEMENT SERVERS, ROUTERS, SWITCHES, POWER UNITS, NETWORK DEVICES, HARD DRIVES, PROCESSORS, MEMORY MODULES, MOTHERBOARDS, RACKS, OTHER COMPUTER HARDWARE AND COMPONENTS, CABLING, COOLING APPARATUS, AND RELATED OR ANCILLARY EQUIPMENT, MACHINERY, AND COMPONENTS, THE PRIMARY PURPOSE OF WHICH IS TO STORE, RETRIEVE, AGGREGATE, SEARCH, ORGANIZE, PROCESS, ANALYZE, OR TRANSFER DATA OR ANY COMBINATION OF THESE, OR TO SUPPORT RELATED COMPUTER ENGINEERING OR COMPUTER SCIENCE RESEARCH. THIS ALSO INCLUDES EQUIPMENT COOLING SYSTEMS FOR MANAGING THE PERFORMANCE OF THE DATACENTER PROPERTY, INCLUDING MECHANICAL AND ELECTRICAL EQUIPMENT, HARDWARE FOR DISTRIBUTED AND MAINFRAME COMPUTERS AND SERVERS, DATA STORAGE DEVICES,**

**NETWORK CONNECTIVITY EQUIPMENT, AND PERIPHERAL COMPONENTS AND SYSTEMS.**

**(3) 'COMPUTER SOFTWARE' MEANS A SET OF CODED INSTRUCTIONS DESIGNED TO CAUSE A COMPUTER OR AUTOMATIC DATA PROCESSING EQUIPMENT TO PERFORM A TASK.**

**(4) 'CONCURRENTLY MAINTAINABLE' MEANS CAPABLE OF HAVING ANY CAPACITY COMPONENT OR DISTRIBUTION ELEMENT SERVICED OR REPAIRED ON A PLANNED BASIS WITHOUT INTERRUPTING OR IMPEDING THE PERFORMANCE OF THE COMPUTER EQUIPMENT.**

**(5) 'DATACENTER' MEANS A NEW OR EXISTING FACILITY AT A SINGLE LOCATION IN SOUTH CAROLINA:**

**(I) THAT PROVIDES INFRASTRUCTURE FOR HOSTING OR DATA PROCESSING SERVICES AND THAT HAS POWER AND COOLING SYSTEMS THAT ARE CREATED AND MAINTAINED TO BE CONCURRENTLY MAINTAINABLE AND TO INCLUDE REDUNDANT CAPACITY COMPONENTS AND MULTIPLE DISTRIBUTION PATHS SERVING THE COMPUTER EQUIPMENT AT THE FACILITY. ALTHOUGH THE FACILITY MUST HAVE MULTIPLE DISTRIBUTION PATHS SERVING THE COMPUTER EQUIPMENT, A SINGLE DISTRIBUTION PATH MAY SERVE THE COMPUTER EQUIPMENT AT ANY ONE TIME;**

**(II)(A) WHERE A TAXPAYER INVESTS AT LEAST FIFTY MILLION DOLLARS IN REAL OR PERSONAL PROPERTY OR BOTH OVER A FIVE YEAR PERIOD; OR**

**(B) WHERE ONE OR MORE TAXPAYERS INVESTS A MINIMUM AGGREGATE CAPITAL INVESTMENT OF AT LEAST SEVENTY-FIVE MILLION DOLLARS IN REAL OR PERSONAL PROPERTY OR BOTH OVER A FIVE YEAR PERIOD;**

**(III) WHERE A TAXPAYER CREATES AND MAINTAINS AT LEAST TWENTY FIVE FULL-TIME JOBS AT THE FACILITY WITH AN AVERAGE CASH COMPENSATION LEVEL OF ONE HUNDRED FIFTY PERCENT OF THE PER CAPITA INCOME OF THE STATE OR OF THE COUNTY IN WHICH THE FACILITY IS LOCATED, WHICHEVER IS LOWER, ACCORDING TO THE MOST RECENTLY PUBLISHED DATA AVAILABLE AT**

**THE TIME THE FACILITY IS CERTIFIED BY THE DEPARTMENT OF COMMERCE;**

**(IV) WHERE THE JOBS CREATED PURSUANT TO SUBITEM (III) ARE MAINTAINED FOR THREE CONSECUTIVE YEARS AFTER A FACILITY WITH THE MINIMUM CAPITAL INVESTMENT AND NUMBER OF JOBS HAS BEEN CERTIFIED BY THE DEPARTMENT OF COMMERCE; AND**

**(V) WHICH IS CERTIFIED BY THE DEPARTMENT OF COMMERCE PURSUANT TO SUBSECTION (D)(1) UNDER SUCH POLICIES AND PROCEDURES AS PROMULGATED BY THE DEPARTMENT OF COMMERCE.**

**(6) 'ELIGIBLE BUSINESS PROPERTY' MEANS PROPERTY USED FOR THE GENERATION, TRANSFORMATION, TRANSMISSION, DISTRIBUTION, OR MANAGEMENT OF ELECTRICITY, INCLUDING EXTERIOR SUBSTATIONS AND OTHER BUSINESS PERSONAL PROPERTY USED FOR THESE PURPOSES.**

**(7) 'MULTIPLE DISTRIBUTION PATHS' MEANS A SERIES OF DISTRIBUTION PATHS CONFIGURED TO ENSURE THAT FAILURE ON ONE DISTRIBUTION PATH DOES NOT INTERRUPT OR IMPEDE OTHER DISTRIBUTION PATHS.**

**(8) 'REDUNDANT CAPACITY COMPONENTS' MEANS COMPONENTS BEYOND THOSE REQUIRED TO SUPPORT THE COMPUTER EQUIPMENT.**

**(C)(1) TO QUALIFY FOR THE EXEMPTION ALLOWED BY THIS ITEM, A TAXPAYER, AND THE FACILITY IN THE CASE OF A SEVENTY-FIVE MILLION DOLLAR INVESTMENT MADE BY MORE THAN ONE TAXPAYER, SHALL NOTIFY THE DEPARTMENT OF REVENUE AND DEPARTMENT OF COMMERCE, IN WRITING, OF ITS INTENTION TO CLAIM THE EXEMPTION. FOR PURPOSES OF MEETING THE REQUIREMENTS OF SUBSECTION (B)(5)(II) AND (B)(5)(III), CAPITAL INVESTMENT AND JOB CREATION BEGIN ACCRUING ONCE THE TAXPAYER NOTIFIES EACH DEPARTMENT. ALSO, THE FIVE-YEAR PERIOD BEGINS UPON NOTIFICATION.**

**(2) ONCE THE TAXPAYER MEETS THE REQUIREMENTS OF SUBSECTION (B)(5), OR AT THE END OF THE FIVE-YEAR PERIOD, THE**

**TAXPAYER SHALL NOTIFY THE DEPARTMENT OF REVENUE, IN WRITING, WHETHER IT HAS OR HAS NOT MET THE REQUIREMENTS OF SUBSECTION (B)(5). THE TAXPAYER SHALL PROVIDE THE PROOF THE DEPARTMENT DETERMINES NECESSARY TO DETERMINE THAT THE REQUIREMENTS HAVE BEEN MET.**

**(D)(1) UPON NOTIFYING EACH DEPARTMENT OF ITS INTENTION TO CLAIM THE EXEMPTION PURSUANT TO SUBSECTION (C)(1), AND UPON CERTIFICATION BY THE DEPARTMENT OF COMMERCE, THE TAXPAYER MAY CLAIM THE EXEMPTION ON ELIGIBLE PURCHASES AT ANY TIME DURING THE PERIOD PROVIDED IN SECTION 125485(F), INCLUDING THE TIME PERIOD PRIOR TO SUBSECTION (B)(5)(IV) BEING SATISFIED.**

**(2) FOR PURPOSES OF THIS SECTION, THE RUNNING OF THE PERIODS OF LIMITATIONS FOR ASSESSMENT OF TAXES PROVIDED IN SECTION 125485 IS SUSPENDED FOR:**

**(I) THE TIME PERIOD BEGINNING WITH NOTICE TO EACH DEPARTMENT PURSUANT TO SUBSECTION (C)(1) AND ENDING WITH NOTICE TO THE DEPARTMENT OF REVENUE PURSUANT TO SUBSECTION (C)(2); AND**

**(II) DURING THE THREE YEAR JOB MAINTENANCE REQUIREMENT PURSUANT TO SUBSECTION (B)(5)(IV).**

**(E) ANY SUBSEQUENT PURCHASE OF OR INVESTMENT IN COMPUTER EQUIPMENT, COMPUTER HARDWARE AND SOFTWARE, AND COMPUTERS, INCLUDING TO REPLACE ORIGINALLY DEPLOYED COMPUTER EQUIPMENT OR TO IMPLEMENT FUTURE EXPANSIONS, LIKEWISE SHALL QUALIFY FOR THE EXEMPTION PROVIDED IN THIS ITEM, REGARDLESS OF WHEN THE TAXPAYER MAKES THE INVESTMENTS.**

**(F)(1) IF A TAXPAYER RECEIVES THE EXEMPTION FOR PURCHASES BUT FAILS TO MEET THE REQUIREMENTS OF SUBSECTION (B)(5) AT THE END OF THE FIVE-YEAR PERIOD, THE DEPARTMENT MAY ASSESS ANY STATE OR LOCAL SALES OR USE TAX DUE ON ITEMS PURCHASED.**

**(2) IF A TAXPAYER MEETS THE REQUIREMENTS OF SUBSECTION (B)(5), BUT SUBSEQUENTLY FAILS TO MAINTAIN THE NUMBER OF FULL-TIME JOBS WITH THE REQUIRED COMPENSATION LEVEL AT THE**

FACILITY, AS PREVIOUSLY REQUIRED PURSUANT TO SUBSECTION (B)(5)(III), THE TAXPAYER IS:

(I) NOT ALLOWED THE EXEMPTION FOR ITEMS DESCRIBED IN SUBSECTION (A)(1) UNTIL THE TAXPAYER MEETS THE PREVIOUS QUALIFYING JOBS REQUIREMENTS PURSUANT TO SUBSECTION (B)(5)(III); AND

(II) ALLOWED THE EXEMPTION FOR ELECTRICITY PURSUANT TO SUBSECTION (A)(2), BUT THE EXEMPTION ONLY APPLIES TO A PERCENTAGE OF THE SALE PRICE, CALCULATED BY DIVIDING THE NUMBER OF QUALIFYING JOBS BY TWENTY-FIVE.

(G) THIS ITEM ONLY APPLIES TO DATACENTER THAT IS CERTIFIED BY THE DEPARTMENT OF COMMERCE PURSUANT TO SUBSECTION (D)(1) PRIOR TO JANUARY 1, 2032. HOWEVER, THIS ITEM SHALL CONTINUE TO APPLY TO A TAXPAYER THAT IS CERTIFIED BY DECEMBER 31, 2031, FOR AN ADDITIONAL TEN YEAR PERIOD. UPON THE END OF THE TEN YEAR PERIOD, THIS ITEM IS REPEALED.”

SECTION \_\_. A. ARTICLE 25, CHAPTER 6, TITLE 12 OF THE 1976 CODE IS AMENDED BY ADDING:

“SECTION 12-6-3586. (A) AS USED IN THIS SECTION:

(1) ‘SOLAR ENERGY EQUIPMENT’ IS EQUIPMENT THAT IS CERTIFIED BY THE SOLAR RATING AND CERTIFICATION CORPORATION OR A COMPARABLE ENTITY, AS DETERMINED BY THE STATE ENERGY OFFICE THAT USES SOLAR RADIATION AS A SUBSTITUTE FOR TRADITIONAL ENERGY FOR WATER HEATING, ACTIVE SPACE HEATING AND COOLING, PASSIVE HEATING, DAYLIGHTING, GENERATING ELECTRICITY, DISTILLATION, DESALINATION, DETOXIFICATION, OR THE PRODUCTION OF INDUSTRIAL OR COMMERCIAL PROCESS HEAT. THE TERM ALSO INCLUDES RELATED DEVICES NECESSARY FOR COLLECTING, STORING, EXCHANGING, CONDITIONING, OR CONVERTING SOLAR ENERGY TO OTHER USEFUL FORMS OF ENERGY.

**(2) 'TAX LIABILITY' INCLUDES INCOME TAXES IMPOSED PURSUANT TO THIS CHAPTER, LICENSE TAXES IMPOSED PURSUANT TO CHAPTER 20, BANK AND BUILDING AND LOAN TAXES IMPOSED PURSUANT TO CHAPTERS 11 AND 13, AND PREMIUM TAXES IMPOSED PURSUANT TO TITLE 38.**

**(B)(1) FOR TAX YEARS BEGINNING AFTER 2011 AND BEFORE 2017, A TAXPAYER THAT HAS CONSTRUCTED, PURCHASED, OR LEASED SOLAR ENERGY EQUIPMENT IS ALLOWED, SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (E), A CREDIT AGAINST HIS TAX LIABILITY EQUAL TO THIRTY-FIVE PERCENT OF THE COST OF THE PROPERTY IN THE TAXABLE YEAR IN WHICH THE EQUIPMENT IS PLACED IN SERVICE.**

**(2) IN THE CASE OF SOLAR ENERGY EQUIPMENT THAT SERVES A SINGLE-FAMILY RESIDENCE, THE CREDIT MUST BE TAKEN FOR THE TAXABLE YEAR IN WHICH THE EQUIPMENT IS PLACED IN SERVICE. UNUSED CREDIT WITH RESPECT TO A SINGLE-FAMILY RESIDENCE MAY BE CARRIED FORWARD TO THE FIVE SUCCEEDING TAXABLE YEARS.**

**(3) FOR ALL OTHER SOLAR ENERGY EQUIPMENT, THE ENTIRE CREDIT MAY NOT BE TAKEN FOR THE TAXABLE YEAR IN WHICH THE EQUIPMENT IS PLACED IN SERVICE BUT MUST BE TAKEN IN THREE EQUAL ANNUAL INSTALLMENTS BEGINNING WITH THE TAXABLE YEAR IN WHICH THE EQUIPMENT IS PLACED IN SERVICE AND SUBJECT TO THIS ANNUAL LIMIT, UNUSED CREDIT MAY BE CARRIED FORWARD FOR TAXABLE YEARS FOUR THROUGH TEN SUCCEEDING THE YEAR THE EQUIPMENT WAS PLACED IN SERVICE.**

**(4) IF A TAXPAYER IS NOT ALLOWED ALL OR PART OF THE CREDIT THE TAXPAYER WOULD BE AUTHORIZED TO RECEIVE BECAUSE OF THE LIMITATIONS SET FORTH IN SUBSECTION (E), THE CARRY FORWARD YEARS PROVIDED IN SUBSECTION (B)(1) BEGIN IN THE YEAR IN WHICH ALL OR PART OF THE CREDIT IS FIRST ALLOWED. HOWEVER, IF THE CREDIT IS NOT ALLOWED PRIOR TO TAX YEAR 2017, THE TAXPAYER IS NOT ELIGIBLE TO CLAIM THE CREDIT.**

**(5) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B)(1), IF THE SOUTH CAROLINA SOLAR COUNCIL, UTILIZING A**



**METHODOLOGY VERIFIED BY THE BOARD OF ECONOMIC ADVISORS IN CONJUNCTION WITH THE INFORMATION CONTAINED IN THE REPORT OF THE STATE ENERGY OFFICE ISSUED PURSUANT TO SUBSECTION (H)(5), DETERMINES THAT THE NUMBER OF DIRECT SOLAR JOBS DOES NOT INCREASE AT A RATE THAT EXCEEDS PRIVATE SECTOR JOB GROWTH IN THIS STATE IN 2012, 2013, AND 2014, THE CREDIT ALLOWED BY THIS SECTION MUST NOT BE ALLOCATED OR ALLOWED AFTER DECEMBER 31, 2015, UNLESS THE TAXPAYER WAS RECEIVING THE CREDIT FOR THE SAME EQUIPMENT PRIOR TO DECEMBER 31,2015.**

**(C) IF, IN ONE OF THE YEARS IN WHICH THE INSTALLMENT OF A CREDIT ACCRUES, THE SOLAR ENERGY EQUIPMENT WITH RESPECT TO WHICH THE CREDIT WAS CLAIMED IS DISPOSED OF, TAKEN OUT OF SERVICE, OR MOVED OUT OF STATE, THE CREDIT EXPIRES AND THE TAXPAYER MAY NOT TAKE ANY REMAINING INSTALLMENT OF THE CREDIT. A DISPOSITION DOES NOT INCLUDE THE SALE OR ASSIGNMENT OF THE PARTNERSHIP INTERESTS OR LIMITED LIABILITY COMPANY INTERESTS OF A PARTNERSHIP OR LIMITED LIABILITY COMPANY THAT OWNS OR LEASES SOLAR ENERGY EQUIPMENT. HOWEVER, THE TAXPAYER MAY TAKE THE PORTION OF AN INSTALLMENT THAT ACCRUED IN A PREVIOUS YEAR AND WAS CARRIED FORWARD TO THE EXTENT PERMITTED PURSUANT TO SUBSECTION (B). A CREDIT IS NOT ALLOWED PURSUANT TO THIS SECTION TO THE EXTENT THE COST OF THE SOLAR ENERGY EQUIPMENT WAS PROVIDED BY PUBLIC FUNDS, AND THE AMOUNT OF ANY CREDIT ALLOWED PURSUANT TO THIS SECTION MUST BE REDUCED BY ANY CREDIT CLAIMED PURSUANT TO SECTION 12-6-3587 OR ANY OTHER CREDIT ALLOWED PURSUANT TO THIS TITLE FOR SOLAR ENERGY EQUIPMENT. PUBLIC FUNDS DOES NOT INCLUDE PROCEEDS OF THE INVESTMENT CREDIT PURSUANT TO SECTION 48 OF THE INTERNAL REVENUE CODE, OR THE GRANT IN LIEU THEREOF UNDER THE SECTION 1603 PROGRAM ADMINISTERED BY THE UNITED STATES DEPARTMENT OF TREASURY. IN NO CASE MAY A CREDIT ALLOWED PURSUANT TO THIS SECTION EXCEED ONE-HALF OF THE TAXPAYER'S TAX LIABILITY FOR A TAXABLE YEAR.**

**(D) THE CREDIT ALLOWED BY THIS SECTION MAY NOT EXCEED THE FOLLOWING APPLICABLE CEILINGS.**

**(1) A CEILING OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS FOR EACH INSTALLATION APPLIES TO SOLAR ENERGY EQUIPMENT PLACED IN SERVICE FOR ANY PURPOSE OTHER THAN RESIDENTIAL;**

**(2) THE FOLLOWING CEILINGS APPLY TO SOLAR ENERGY EQUIPMENT PLACED IN SERVICE FOR RESIDENTIAL PURPOSES:**

**(A) THREE THOUSAND FIVE HUNDRED DOLLARS FOR EACH DWELLING UNIT FOR SOLAR ENERGY EQUIPMENT FOR DOMESTIC WATER HEATING;**

**(B) THREE THOUSAND FIVE HUNDRED DOLLARS FOR EACH DWELLING UNIT FOR SOLAR ENERGY EQUIPMENT FOR ACTIVE SPACE HEATING, COMBINED ACTIVE SPACE AND DOMESTIC HOT WATER SYSTEMS, AND PASSIVE SPACE HEATING;**

**(C) TEN THOUSAND FIVE HUNDRED DOLLARS FOR EACH INSTALLATION FOR ANY OTHER SOLAR ENERGY EQUIPMENT FOR RESIDENTIAL PURPOSES.**

**(E)(1) THE TOTAL AMOUNT OF CREDITS ALLOCATED FOR ALL TAXPAYERS IN ALL TAXABLE YEARS MAY NOT EXCEED IN THE AGGREGATE:**

**(A) FOR TAX YEARS 2012 AND 2013, EIGHT MILLION DOLLARS;**

**(B) FOR TAX YEAR 2014, SEVEN MILLION DOLLARS; AND**

**(C) FOR TAX YEARS 2015 AND 2016, SIX MILLION DOLLARS.**

**(2) NOTWITHSTANDING SUBSECTION (B), FOR PURPOSES OF THIS SECTION, THE ENTIRE CREDIT IS CONSIDERED TAKEN IN THE TAX YEAR IN WHICH THE EQUIPMENT IS PLACED IN SERVICE.**

**(3)(A) OF THE AGGREGATE AMOUNTS SET FORTH IN SUBSECTION (E)(1):**

**(I) FIFTEEN PERCENT MUST BE ALLOCATED FOR EQUIPMENT FOR SINGLE-FAMILY RESIDENCES;**

**(II) THIRTY-FIVE PERCENT MUST BE ALLOCATED FOR EQUIPMENT WITH LESS THAN ONE MEGAWATT OF INSTALLED CAPACITY FOR PURPOSES OTHER THAN SINGLE-FAMILY RESIDENCES; AND**

**(III) FIFTY PERCENT MUST BE ALLOCATED FOR EQUIPMENT WITH ONE MEGAWATT OF INSTALLED CAPACITY, OR GREATER, FOR PURPOSES OTHER THAN SINGLE-FAMILY RESIDENCES.**

**(B) IF AN ALLOCATION SET FORTH IN THIS SUBSECTION IS NOT COMPLETELY EXHAUSTED, THE REMAINING AMOUNT MAY BE CARRIED FORWARD BY THE DEPARTMENT TO THE NEXT YEAR AND USED FOR THE SAME PURPOSE, AND IS IN ADDITION TO THE AGGREGATE AMOUNT SET FORTH IN SUBSECTION (E)(1). NO AMOUNT MAY BE CARRIED FORWARD BY THE DEPARTMENT BEYOND TAX YEAR 2016.**

**(4) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION, THE LIMITATIONS SET FORTH IN SUBSECTION (E)(1) DO NOT APPLY TO CREDITS ALLOCATED TO A TAXPAYER FOR EQUIPMENT CONSTRUCTED, PURCHASED, OR LEASED IF THE STATE ENERGY OFFICE, IN CONSULTATION WITH THE DEPARTMENT OF COMMERCE, CERTIFIES:**

**(A) THE EQUIPMENT WILL CREATE MORE THAN ONE MEGAWATT OF INSTALLED CAPACITY OR MORE FOR PURPOSES OTHER THAN SINGLE-FAMILY RESIDENCES;**

**(F) IF THE TAXPAYER LEASES THE SOLAR ENERGY EQUIPMENT, OR PART OF THE SOLAR ENERGY EQUIPMENT, THE TAXPAYER MAY TRANSFER ANY APPLICABLE REMAINING CREDIT ASSOCIATED WITH THE SOLAR ENERGY EQUIPMENT EXPENSES INCURRED WITH RESPECT TO THAT PART OF THE SOLAR ENERGY EQUIPMENT TO THE LESSEE OF THE SOLAR ENERGY EQUIPMENT. THIS SUBSECTION APPLIES TO A LESSEE THAT IS AN ENTITY TAXED AS A PARTNERSHIP.**

**(G) TO THE EXTENT THAT THE TAXPAYER IS A PARTNERSHIP OR A LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP, THE CREDIT MAY BE PASSED THROUGH TO THE PARTNERS OR MEMBERS AND MAY BE ALLOCATED BY THE TAXPAYER AMONG ANY OF ITS PARTNERS OR MEMBERS ON AN ANNUAL BASIS INCLUDING, WITHOUT LIMITATION, AN ALLOCATION OF THE ENTIRE CREDIT TO ANY PARTNER OR MEMBER**

**WHO WAS A MEMBER OR PARTNER AT ANY TIME DURING THE YEAR IN WHICH THE CREDIT IS ALLOCATED.**

**(H)(1) AFTER THE EQUIPMENT IS PLACED IN SERVICE, A TAXPAYER SEEKING TO CLAIM THE CREDIT PROVIDED IN THIS SECTION MUST SUBMIT AN APPLICATION TO THE STATE ENERGY OFFICE FOR TENTATIVE APPROVAL OF THE CREDIT. WITHIN FORTY-FIVE DAYS OF RECEIPT OF THE APPLICATION, THE STATE ENERGY OFFICE SHALL REVIEW THE APPLICATION AND TENTATIVELY SHALL APPROVE THE APPLICATION UPON DETERMINING THAT THE TAXPAYER QUALIFIES FOR THE CREDIT, AND ONLY IF THE AGGREGATE CREDIT, PURSUANT TO SUBSECTION (E), HAS NOT YET BEEN REACHED FOR THE TAXABLE YEAR. THE STATE ENERGY OFFICE SHALL NOTIFY THE APPLICANT WHETHER ALL OR PART OF THE CREDIT MAY BE CLAIMED AND THE AMOUNT THAT MAY BE CLAIMED IN THE CURRENT YEAR. ALSO, THE STATE ENERGY OFFICE SHALL FORWARD THE NOTICE TO THE DEPARTMENT.**

**(2) THE CREDIT IS ALLOWED ON A FIRST COME, FIRST SERVE BASIS. IN NO EVENT MAY THE AGGREGATE AMOUNT OF TAX CREDITS APPROVED BY THE STATE ENERGY OFFICE FOR ALL TAXPAYERS IN A TAXABLE YEAR EXCEED THE LIMITATIONS SPECIFIED IN SUBSECTION (E). FOR TAX YEARS 2012 THROUGH 2015, IF THE TAXPAYER TIMELY FILES AN APPLICATION FOR THE CREDIT BUT IS NOT ALLOWED ALL OR PART OF THE CREDIT THE TAXPAYER WOULD BE AUTHORIZED TO RECEIVE BECAUSE OF THE LIMITATIONS SET FORTH IN SUBSECTION (E), THE TAXPAYER MUST BE ADDED TO A PRIORITY WAITING LIST OF APPLICATIONS, PRIORITIZED BY THE DATE OF THE TAXPAYER'S FIRST FILED APPLICATION. WITH RESPECT TO THE CREDIT ALLOCATION IN SUBSEQUENT YEARS, A TAXPAYER ON THE PRIORITY WAITING LIST HAS PRIORITY OVER OTHER TAXPAYERS WHO APPLY FOR THE CREDIT FOR AN INSTALLATION IN THE SUBSEQUENT YEAR. FOR PURPOSES OF SUBSECTION (E), A TAXPAYER ON THE PRIORITY WAITING LIST WHO IS ALLOWED THE CREDIT IN A TAXABLE YEAR AFTER THE EQUIPMENT IS PLACED IN SERVICE, THE ENTIRE CREDIT IS CONSIDERED TAKEN IN THE YEAR IN WHICH THE CREDIT IS FIRST ALLOWED.**

**(I)(1) THE DEPARTMENT, IN CONSULTATION WITH THE STATE ENERGY OFFICE, SHALL DEVELOP AN APPLICATION FORM. ALSO, THE DEPARTMENT AND THE STATE ENERGY OFFICE SHALL ADOPT RULES TO PROVIDE FOR THE ADMINISTRATION OF THIS CREDIT. THE STATE ENERGY OFFICE, WITH ASSISTANCE FROM THE DEPARTMENT, SHALL CREATE A MECHANISM TO TRACK AND REPORT THE STATUS AND AVAILABILITY OF CREDITS FOR THE PUBLIC TO REVIEW ON A REGULAR BASIS, AS DETERMINED BY THE STATE ENERGY OFFICE.**

**(2) THERE IS A NONREFUNDABLE APPLICATION FEE EQUAL TO ONE PERCENT OF THE CREDIT APPLIED FOR, BUT NO MORE THAN TWO THOUSAND FIVE HUNDRED DOLLARS. THE FEE MUST ACCOMPANY THE APPLICATION. THE FEE MUST BE CREDITED TO THE STATE ENERGY OFFICE AND MUST BE USED TO MEET THE REQUIREMENTS OF THIS SECTION.**

**(J) A TAXPAYER THAT APPLIES FOR THE CREDIT ALLOWED BY THIS SECTION, OTHER THAN AN ELECTRIC SUPPLIER OR ELECTRICAL UTILITY AS THOSE TERMS ARE DEFINED IN SECTIONS 58-27-10 AND 58-27-610, RESPECTIVELY, AN ELECTRIC COOPERATIVE ENGAGED PRIMARILY IN THE BUSINESS OF FURNISHING ELECTRICITY TO OTHER COOPERATIVES FOR RESALE TO OTHER ELECTRIC CONSUMERS, THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, A CITY OR TOWN IN WHICH THE CITY OR TOWN OR A BOARD OF PUBLIC WORKS OR A COMMISSION OF PUBLIC WORKS PROVIDES ELECTRIC SERVICE, OR A JOINT AGENCY AS DEFINED BY SECTION 6-23-20 OWNING, CONTROLLING, OR LEASING SOLAR ENERGY EQUIPMENT, MUST NOT SELL, CONVEY OR PROVIDE ELECTRICITY GENERATED BY SUCH SOLAR ENERGY EQUIPMENT TO ANY OTHER PERSON OR ENTITY, UNLESS THE TAXPAYER IS SELLING, CONVEYING, OR PROVIDING ELECTRICITY TO AN ELECTRIC SUPPLIER OR ELECTRICAL UTILITY AS THOSE TERMS ARE DEFINED IN SECTIONS 58-27-10 AND 58-27-610, RESPECTIVELY, AN ELECTRIC COOPERATIVE ENGAGED PRIMARILY IN THE BUSINESS OF FURNISHING ELECTRICITY TO OTHER COOPERATIVES FOR RESALE TO OTHER ELECTRIC CONSUMERS, THE SOUTH CAROLINA PUBLIC SERVICE**

**AUTHORITY, A CITY OR TOWN IN WHICH THE CITY OR TOWN OR A BOARD OF PUBLIC WORKS OR A COMMISSION OF PUBLIC WORKS PROVIDES ELECTRIC SERVICE, OR A JOINT AGENCY AS DEFINED BY SECTION 6-23-20.**

**(K) BY JUNE FIRST OF EACH YEAR, THE STATE ENERGY OFFICE SHALL PREPARE A REPORT DETAILING:**

**(1) THE NUMBER OF TAXPAYERS APPLYING FOR THE CREDIT AND AMOUNT APPLIED FOR, BY ALLOCATION SOUGHT PURSUANT TO SUBSECTION (E)(3), AND EQUIPMENT TYPE, INCLUDING THE TOTAL COST OF THE EQUIPMENT INSTALLED AGAINST WHICH THE CREDIT IS BEING CLAIMED, AND THE COUNTY IN WHICH THE EQUIPMENT WAS INSTALLED;**

**(2) THE NUMBER OF TAXPAYERS ALLOCATED THE CREDIT, AND AMOUNT ALLOCATED, BY ALLOCATION SOUGHT PURSUANT TO SUBSECTION (E)(3), AND EQUIPMENT TYPE, INCLUDING THE TOTAL COST OF THE EQUIPMENT INSTALLED AGAINST WHICH THE CREDIT IS BEING CLAIMED, AND THE COUNTY IN WHICH THE EQUIPMENT WAS INSTALLED;**

**(3) THE NUMBER OF TAXPAYERS DENIED THE CREDIT BASED ON AN INELIGIBILITY DETERMINATION BY THE DEPARTMENT;**

**(4) THE NUMBER OF TAXPAYERS ELIGIBLE FOR THE CREDIT, BUT PLACED ON THE WAITING LIST DUE TO THE LIMITATIONS SET FORTH IN SUBSECTION (E); AND**

**(5) THE ECONOMIC IMPACT OF THIS SECTION, AS DETERMINED BY THE SOUTH CAROLINA SOLAR COUNCIL, INCLUDING THE NUMBER OF DIRECT SOLAR JOBS CREATED AND MAINTAINED.”**

**B. THIS SECTION APPLIES FOR INSTALLATIONS OF SOLAR ENERGY EQUIPMENT PLACED IN SERVICE IN TAXABLE YEARS BEGINNING AFTER 2011 AND BEFORE 2017.**

**SECTION \_\_. A. SECTION 12-6-3587 OF THE 1976 CODE IS AMENDED BY ADDING AN APPROPRIATELY LETTERED SUBSECTION TO READ:**

**“( ) THIS SECTION ONLY APPLIES AS IT RELATES TO A SOLAR ENERGY SYSTEM PLACED IN SERVICE BEFORE JANUARY 1, 2012.”**

**B. EXCEPT WHERE OTHERWISE PROVIDED, THIS SECTION TAKES EFFECT JULY 1, 2012.**

**SECTION \_\_. A. SECTION 12-43-215 OF THE 1976 CODE, AS LAST AMENDED BY ACT 138 OF 2005, IS FURTHER AMENDED TO READ:**

**“SECTION 12-43-215. WHEN OWNER-OCCUPIED RESIDENTIAL PROPERTY ASSESSED PURSUANT TO SECTION 12-43-220(C) IS VALUED FOR PURPOSES OF AD VALOREM TAXATION, THE VALUE OF THE LAND MUST BE DETERMINED ON THE BASIS THAT ITS HIGHEST AND BEST USE IS FOR RESIDENTIAL PURPOSES. WHEN A PROPERTY OWNER OR AN AGENT FOR A PROPERTY OWNER APPEALS THE VALUE OF A PROPERTY ASSESSMENT, THE ASSESSOR SHALL CONSIDER THE APPEAL AND MAKE ANY ADJUSTMENTS, IF WARRANTED, BASED ON THE MARKET VALUES OF REAL PROPERTY AS ~~THEY EXISTED IN THE YEAR THAT THE EQUALIZATION AND REASSESSMENT PROGRAM WAS CONDUCTED AND ON WHICH THE ASSESSMENT IS BASED~~ OF DECEMBER THIRTY-FIRST OF THE TAX YEAR UNDER APPEAL.”**

**B. SECTION 12-60-2510 OF THE 1976 CODE, AS LAST AMENDED BY ACT 57 OF 2007, IS FURTHER AMENDED TO READ:**

**“SECTION 12-60-2510. (A)(1) IN THE CASE OF PROPERTY TAX ASSESSMENTS MADE BY THE COUNTY ASSESSOR, WHENEVER THE ASSESSOR INCREASES THE FAIR MARKET VALUE OR SPECIAL USE VALUE IN MAKING A PROPERTY TAX ASSESSMENT BY ONE THOUSAND DOLLARS**

OR MORE, OR WHENEVER THE FIRST PROPERTY TAX ASSESSMENT IS MADE ON THE PROPERTY BY A COUNTY ASSESSOR, THE ASSESSOR, BY JULY FIRST IN THE YEAR IN WHICH THE PROPERTY TAX ASSESSMENT IS MADE, OR AS SOON AFTER AS IS PRACTICAL, SHALL SEND THE TAXPAYER A PROPERTY TAX ASSESSMENT NOTICE. IN YEARS WHEN REAL PROPERTY IS APPRAISED AND ASSESSED UNDER A COUNTYWIDE EQUALIZATION PROGRAM, SUBSTANTIALLY ALL PROPERTY TAX ASSESSMENT NOTICES MUST BE MAILED BY OCTOBER FIRST OF THE IMPLEMENTATION YEAR. IN THESE REASSESSMENT YEARS, IF SUBSTANTIALLY ALL OF THE TAX ASSESSMENT NOTICES ARE NOT MAILED BY OCTOBER FIRST, THE PRIOR YEAR'S PROPERTY TAX ASSESSMENT MUST BE THE BASIS FOR ALL PROPERTY TAX ASSESSMENTS FOR THE CURRENT TAX YEAR. A PROPERTY TAX ASSESSMENT NOTICE UNDER THIS SUBSECTION MUST BE IN WRITING AND MUST INCLUDE:

(A) THE FAIR MARKET VALUE; IN A YEAR IN WHICH AN ASSESSABLE TRANSFER OF INTEREST OCCURS DUE TO A CONVEYANCE, IF THE ASSESSOR DETERMINES THAT FAIR MARKET VALUE IS MORE THAN THE PURCHASE PRICE, THE ASSESSOR SHALL STATE WITH PARTICULARITY, THE BASIS FOR THE INCREASE IN FAIR MARKET VALUE;

(B) VALUE AS LIMITED BY ARTICLE 25, CHAPTER 37, TITLE 12;

(C) THE SPECIAL USE VALUE, IF APPLICABLE;

(D) THE ASSESSMENT RATIO;

(E) THE PROPERTY TAX ASSESSMENT;

(F) THE NUMBER OF ACRES OR LOTS;

(G) THE LOCATION OF THE PROPERTY;

(H) THE TAX MAP NUMBER; AND

(I) THE APPEAL PROCEDURE.

(2) THE NOTICE MUST BE SERVED UPON THE TAXPAYER PERSONALLY OR BY MAILING IT TO THE TAXPAYER AT HIS LAST KNOWN PLACE OF RESIDENCE WHICH MAY BE DETERMINED FROM THE MOST RECENT LISTING IN THE APPLICABLE TELEPHONE DIRECTORY, THE



**DEPARTMENT OF MOTOR VEHICLES' MOTOR VEHICLE REGISTRATION LIST, COUNTY TREASURER'S RECORDS, OR OFFICIAL NOTICE FROM THE PROPERTY TAXPAYER.**

**(3) IN YEARS WHEN THERE IS A NOTICE OF PROPERTY TAX ASSESSMENT, THE PROPERTY TAXPAYER, WITHIN NINETY DAYS AFTER THE ASSESSOR MAILES THE PROPERTY TAX ASSESSMENT NOTICE OR WITHIN THIRTY DAYS OF RECEIPT OF A PROPERTY TAX BILL, WHICHEVER IS LATER, MUST GIVE THE ASSESSOR WRITTEN NOTICE OF OBJECTION TO ONE OR MORE OF THE FOLLOWING: THE FAIR MARKET VALUE, THE SPECIAL USE VALUE, THE ASSESSMENT RATIO, AND THE PROPERTY TAX ASSESSMENT.**

**(4) IN YEARS WHEN THERE IS NO NOTICE OF PROPERTY TAX ASSESSMENT, THE PROPERTY TAXPAYER MAY APPEAL THE FAIR MARKET VALUE, THE SPECIAL USE VALUE, THE ASSESSMENT RATIO, AND THE PROPERTY TAX ASSESSMENT OF A PARCEL OF PROPERTY AT ANY TIME. THE APPEAL MUST BE SUBMITTED IN WRITING TO THE ASSESSOR. AN APPEAL SUBMITTED BEFORE THE FIRST PENALTY DATE APPLIES FOR THE PROPERTY TAX YEAR FOR WHICH THAT PENALTY WOULD APPLY. AN APPEAL SUBMITTED ON OR AFTER THE FIRST PENALTY DATE APPLIES FOR THE SUCCEEDING PROPERTY TAX YEAR.**

**(B) THE DEPARTMENT SHALL PRESCRIBE A STANDARD PROPERTY TAX ASSESSMENT NOTICE DESIGNED TO CONTAIN THE INFORMATION REQUIRED IN SUBSECTION (A) IN A MANNER THAT MAY BE EASILY UNDERSTOOD AS WELL AS A PROPERTY TAX REFUND ASSIGNMENT CONTRACT WHICH MAY BE UTILIZED IN A YEAR IN WHICH THE PURCHASER OF PROPERTY FILES AN APPEAL.**

**(C) IN ANY YEAR IN WHICH AN ASSESSABLE TRANSFER OF INTEREST HAS OCCURRED, A PURCHASER OF THE REAL PROPERTY MAY APPEAL THE FAIR MARKET VALUE, THE SPECIAL USE VALUE, THE ASSESSMENT RATIO, AND THE PROPERTY TAX ASSESSMENT OF A PARCEL OF PROPERTY IN THE SAME MANNER AS THE TAXPAYER. THE ASSESSOR MAY REQUIRE A WRITTEN ASSIGNMENT OF ANY PROPERTY TAX REFUND EXECUTED BY THE BUYER AND SELLER."**

**C. SUBARTICLE 9, ARTICLE 9, CHAPTER 60, TITLE 12 OF THE 1976 CODE IS AMENDED BY ADDING:**

**“SECTION 12-60-2570. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR ANY APPEAL OR PROTEST BROUGHT PURSUANT TO THIS SUBARTICLE, THE COUNTY ASSESSOR SHALL HAVE THE BURDEN OF PROOF OF SHOWING THAT THE FAIR MARKET VALUE, THE SPECIAL USE VALUE, THE ASSESSMENT RATIO, AND THE PROPERTY TAX ASSESSMENT ARE APPROPRIATE.**

**SECTION 12-60-2580. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A TAXPAYER MAY APPEAL A PROPERTY TAX ASSESSMENT ON AN ANNUAL BASIS, EXCEPT THAT A TAXPAYER MAY ONLY APPEAL DUE TO A CHANGE IN VALUE ONCE EVERY FIVE YEARS IN CONJUNCTION WITH THE COUNTY’S REASSESSMENT CYCLE PURSUANT TO SECTION 12-43-217. HOWEVER, IF THE PROPERTY UNDERGOES AN ASSESSABLE TRANSFER OF INTEREST DURING THE REASSESSMENT CYCLE, AND THE VALUE HAS ALREADY BEEN APPEALED IN THE REASSESSMENT CYCLE, THE TAXPAYER MAY APPEAL THE VALUE ONCE MORE DURING THE REASSESSMENT CYCLE FOLLOWING THE ASSESSABLE TRANSFER OF INTEREST.”**

**D. THIS SECTION TAKES EFFECT UPON APPROVAL BY THE GOVERNOR AND APPLIES TO PROPERTY TAX YEARS BEGINNING AFTER 2011. /**

**RENUMBER SECTIONS TO CONFORM.**

**AMEND TITLE TO CONFORM.**

**South Carolina General Assembly**  
119th Session, 2011-2012

**S. 1409**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Alexander

Document Path: I:\council\bills\nbd\12319dg12.docx

Introduced in the Senate on April 10, 2012

Introduced in the House on May 1, 2012

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

Summary: Tax credits

**HISTORY OF LEGISLATIVE ACTIONS**

Date	Body	Action Description with journal page number
4/10/2012	Senate	Introduced and read first time ( <a href="#">Senate Journal-page 7</a> )
4/10/2012	Senate	Referred to Committee on <b>Finance</b> ( <a href="#">Senate Journal-page 7</a> )
4/25/2012	Senate	Committee report: Favorable <b>Finance</b> ( <a href="#">Senate Journal-page 15</a> )
4/26/2012		Scrivener's error corrected
4/26/2012	Senate	Read second time ( <a href="#">Senate Journal-page 67</a> )
4/26/2012	Senate	Roll call Ayes-35 Nays-1 ( <a href="#">Senate Journal-page 67</a> )
5/1/2012	Senate	Read third time and sent to House ( <a href="#">Senate Journal-page 20</a> )
5/1/2012	House	Introduced and read first time ( <a href="#">House Journal-page 11</a> )
5/1/2012	House	Referred to Committee on <b>Ways and Means</b> ( <a href="#">House Journal-page 11</a> )

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**VERSIONS OF THIS BILL**

[4/10/2012](#)

[4/25/2012](#)

[4/26/2012](#)

1 ~~Indicates Matter Stricken~~  
2 Indicates New Matter

3  
4 COMMITTEE REPORT  
5 April 25, 2012  
6

7 **S. 1409**

8  
9 Introduced by Senator Alexander

10  
11 S. Printed 4/25/12--S. [SEC 4/26/12 3:40 PM]  
12 Read the first time April 10, 2012.

13 \_\_\_\_\_  
14

15 **THE COMMITTEE ON FINANCE**

16 To whom was referred a Bill (S. 1409) to amend Section  
17 6-34-40, as amended, Code of Laws of South Carolina, 1976,  
18 relating to tax credits for rehabilitation expenses, so as to clarify,  
19 etc., respectfully

20 **REPORT:**

21 That they have duly and carefully considered the same and  
22 recommend that the same do pass:

23  
24 HUGH K. LEATHERMAN, SR. for Committee.  
25 \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

**A BILL**

11 TO AMEND SECTION 6-34-40, AS AMENDED, CODE OF  
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO TAX  
13 CREDITS FOR REHABILITATION EXPENSES, SO AS TO  
14 CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST  
15 FRANCHISE TAXES ON BANKS; TO AMEND SECTION  
16 12-4-320, AS AMENDED, RELATING TO POWERS AND  
17 DUTIES OF THE DEPARTMENT OF REVENUE, SO AS TO  
18 ALLOW THE DEPARTMENT TO GRANT RELIEF PERIODS  
19 GRANTED BY THE INTERNAL REVENUE SERVICE; TO  
20 AMEND SECTION 12-6-50, AS AMENDED, RELATING TO  
21 INTERNAL REVENUE CODE SECTIONS SPECIFICALLY  
22 NOT ADOPTED, SO AS TO NOT ADOPT SECTION 7508; TO  
23 AMEND SECTION 12-6-590, RELATING TO THE  
24 TREATMENT OF "S" CORPORATIONS FOR TAX  
25 PURPOSES, SO AS TO IMPOSE A TAX ON CERTAIN  
26 INCOME IF THE INTERNAL REVENUE CODE IMPOSES A  
27 SIMILAR TAX; TO AMEND SECTION 12-6-3360, AS  
28 AMENDED, RELATING TO THE JOBS TAX CREDIT, SO AS  
29 TO AMEND THE DEFINITION OF "NEW JOB"; TO AMEND  
30 SECTION 12-6-3535, AS AMENDED, RELATING TO THE  
31 INCOME TAX CREDIT FOR REHABILITATION EXPENSES,  
32 SO AS TO CLARIFY THAT THE CREDIT MAY BE TAKEN  
33 AGAINST FRANCHISE TAXES ON BANKS; TO AMEND  
34 SECTION 12-6-3630, RELATING TO INCOME TAX CREDITS  
35 FOR HYDROGEN RESEARCH CONTRIBUTIONS, SO AS TO  
36 CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST  
37 FRANCHISE TAXES ON BANKS; TO AMEND SECTION  
38 12-6-4910, AS AMENDED, RELATING TO THE  
39 REQUIREMENT TO FILE AN INCOME TAX RETURN, SO AS  
40 TO INCREASE THE STANDARD DEDUCTION FOR  
41 INDIVIDUALS OVER SIXTY-FIVE AS PROVIDED IN THE  
42 INTERNAL REVENUE CODE; TO AMEND SECTION

1 12-37-220, AS AMENDED, RELATING TO PROPERTY TAX  
2 EXEMPTIONS, SO AS TO CORRECT A CROSS-REFERENCE;  
3 TO AMEND SECTION 12-43-260, RELATING TO COUNTIES  
4 WILFUL FAILURE TO COMPLY WITH THE ASSESSMENT  
5 PROGRAM, SO AS TO PROVIDE THAT THE DEPARTMENT  
6 SHALL MAKE A DETERMINATION THAT IS SUBJECT TO  
7 REVIEW BY THE ADMINISTRATIVE LAW COURT; TO  
8 AMEND SECTION 12-44-110, AS AMENDED, RELATING TO  
9 FEE IN LIEU OF TAX, SO AS TO UPDATE A TERM; TO  
10 AMEND SECTION 12-54-240, AS AMENDED, RELATING TO  
11 THE DISCLOSURE OF RECORDS FILED WITH THE  
12 DEPARTMENT, SO AS TO PROVIDE THAT IN ORDER FOR  
13 A CONVICTION FOR UNLAWFULLY DIVULGING  
14 RECORDS, A PERSON MUST WILFULLY DIVULGE, AND  
15 TO PROVIDE THAT PRIOR TO DISMISSING AN EMPLOYEE  
16 FOR A VIOLATION, THE EMPLOYEE MUST BE  
17 CONVICTED; TO AMEND SECTION 12-60-50, AS  
18 AMENDED, RELATING TO THE OCCURRENCE OF A  
19 FILING PERIOD ENDING ON A HOLIDAY, SO AS TO  
20 RECOGNIZE A HOLIDAY RECOGNIZED BY THE  
21 INTERNAL REVENUE SERVICE; TO AMEND SECTION  
22 12-60-90, AS AMENDED, RELATING TO THE  
23 ADMINISTRATIVE TAX PROCESS, SO AS TO CORRECT  
24 CROSS-REFERENCES AND FURTHER DEFINE TERMS; TO  
25 AMEND SECTION 12-65-30, AS AMENDED, RELATING TO  
26 THE CREDIT FOR EXPENSES RELATED TO THE  
27 REHABILITATION OF A TEXTILE MILL, SO AS TO  
28 CLARIFY THAT THE CREDIT MAY BE TAKEN AGAINST  
29 FRANCHISE TAXES ON BANKS; AND TO AMEND  
30 SECTION 44-43-1360, AS AMENDED, RELATING TO  
31 ADMINISTRATIVE EXPENSES FOR DONATE LIFE SOUTH  
32 CAROLINA, SO AS TO CORRECT A CROSS-REFERENCE.

33  
34 Be it enacted by the General Assembly of the State of South  
35 Carolina:

36  
37 SECTION 1. Section 6-34-40(A)(2) of the 1976 Code is amended  
38 to read:

39  
40 “(2) a credit against any state income taxes or franchise taxes on  
41 banks imposed pursuant to Chapter 11, Title 12, imposed equal to  
42 ten percent of the rehabilitation expenses.”

43

1 SECTION 2. Section 12-4-320(6) of the 1976 Code is amended to  
2 read:

3  
4 “(6) for damage caused by war, terrorist act, or natural disaster  
5 or service with the United States armed forces or national guard in  
6 or near a hazard duty zone, extend the date for filing returns,  
7 payments of taxes, collection of taxes, and conducting audits, and  
8 waive interest and penalties. Also, the department may extend the  
9 same relief period and any additional relief period granted by the  
10 Internal Revenue Service to individuals, businesses, relief workers,  
11 and taxpayers whose records or tax professionals are located in the  
12 impacted area.”

13  
14 SECTION 3. Section 12-6-50(16) of the 1976 Code, as last  
15 amended by Act 142 of 2010, is further amended to read:

16  
17 “(16) Sections 2001 through 7655, 7801 through 7871, and  
18 8001 through 9602, except for Sections 6015, ~~and 6701,~~ 7508, and  
19 except for Sections 6654 and 6655 which are adopted as provided  
20 in Section 12-6-3910 and Section 12-54-55. However, Section  
21 6654(d)(1)(D) relating to estimated tax payments for qualified  
22 individuals as defined in that item is not adopted.”

23  
24 SECTION 4. A. Section 12-6-3360(M)(3) of the 1976 Code, as  
25 last amended by Act 290 of 2010, is further amended to read:

26  
27 “(3) ‘New job’ means a job created in this State at the time a  
28 new facility or an expansion is initially staffed. Except as  
29 otherwise provided in this item, the term does not include a job  
30 created when an employee is shifted from an existing location in  
31 this State to a new or expanded facility whether the transferred job  
32 is from, or to, a facility of the taxpayer or a related person. A  
33 related person includes any entity or person that bears a  
34 relationship to the taxpayer as described in Section 267 of the  
35 Internal Revenue Code. ~~However, this exclusion of a new job~~  
36 ~~created by employee shifting does not extend to a job created at a~~  
37 ~~new or expanded facility located in a county in which is located an~~  
38 ~~“applicable federal facility” as defined in Section~~  
39 ~~12-6-3450(A)(1)(b).~~ The term ‘new job’ also includes an existing  
40 job at a facility of an employer which is reinstated after the  
41 employer has rebuilt the facility due to:

42 (a) its destruction by accidental fire, natural disaster, or  
43 act of God;

1 (b) involuntary conversion as a result of condemnation or  
2 exercise of eminent domain by the State or any of its political  
3 subdivisions or by the federal government.

4 Destruction for purposes of this provision means that more than  
5 fifty percent of the facility was destroyed. For purposes of this  
6 section, involuntary conversion as a result of condemnation or  
7 exercise of eminent domain includes a legally binding agreement  
8 for the purchase of a facility of an employer entered into between  
9 an employer and the State of South Carolina or a political  
10 subdivision of the State under threat of exercise of eminent domain  
11 by the State or its political subdivision.

12 The year of reinstatement is the year of creation of the job. All  
13 reinstated jobs qualify for the credit pursuant to this section, and a  
14 comparison is not required to be made between the number of  
15 full-time jobs of the employer in the taxable year and the number  
16 of full-time jobs of the employer with the corresponding period of  
17 the prior taxable year.”

18  
19 B. This SECTION takes effect January 1, 2011.

20  
21 SECTION 5. Section 12-6-3535(A) and (B) of the 1976 Code, as  
22 last amended by Act 116 of 2007, are further amended to read:

23  
24 “(A) A taxpayer who is allowed a federal income tax credit  
25 pursuant to Section 47 of the Internal Revenue Code for making  
26 qualified rehabilitation expenditures for a certified historic  
27 structure located in this State is allowed to claim a credit against  
28 income taxes, and license fees, and franchise taxes on banks  
29 imposed by this title. For the purposes of this section, ‘qualified  
30 rehabilitation expenditures’ and ‘certified historic structure’ are  
31 defined as provided in the Internal Revenue Code Section 47 and  
32 the applicable treasury regulations. The amount of the credit is ten  
33 percent of the expenditures that qualify for the federal credit. To  
34 claim the credit allowed by this subsection, a taxpayer filing a  
35 paper return must attach a copy of the section of the federal  
36 income tax return showing the credit claimed, along with other  
37 information that the Department of Revenue determines is  
38 necessary for the calculation of the credit provided by this  
39 subsection.

40 (B) A taxpayer who is not eligible for a federal income tax  
41 credit under Section 47 of the Internal Revenue Code and who  
42 makes rehabilitation expenses for a certified historic residential  
43 structure located in this State is allowed to claim a credit against



1 the tax imposed by this chapter or by Chapter 11 of this title. The  
2 amount of the credit is twenty-five percent of the rehabilitation  
3 expenses. To claim the credit allowed by this subsection, a  
4 taxpayer filing a paper return must attach a copy of the  
5 certification obtained from the State Historic Preservation Officer  
6 verifying that the historic structure has been rehabilitated in  
7 accordance with this subsection, along with all information that the  
8 Department of Revenue determines is necessary for the calculation  
9 of the credit provided by this subsection. A taxpayer filing an  
10 electronic return shall keep a copy of the certification with his tax  
11 records.

12 For the purposes of subsections (B) through (F):

13 (1) 'Certified historic residential structure' means an  
14 owner-occupied residence that is:

15 (a) listed individually in the National Register of Historic  
16 Places;

17 (b) considered by the State Historic Preservation Officer  
18 to contribute to the historic significance of a National Register  
19 Historic District;

20 (c) considered by the State Historic Preservation Officer  
21 to meet the criteria for individual listing in the National Register of  
22 Historic Places; or

23 (d) an outbuilding of an otherwise eligible property  
24 considered by the State Historic Preservation Officer to contribute  
25 to the historic significance of the property.

26 (2) 'Certified rehabilitation' means repairs or alterations  
27 consistent with the Secretary of the Interior's Standards for  
28 Rehabilitation and certified as such by the State Historic  
29 Preservation Officer before commencement of the work. The  
30 review by the State Historic Preservation Officer shall include all  
31 repairs, alterations, rehabilitation, and new construction on the  
32 certified historic residential structure and the property on which it  
33 is located. To qualify for the credit, the taxpayer shall receive  
34 documentation from the State Historic Preservation Officer  
35 verifying that the completed project was rehabilitated in  
36 accordance with the standards for rehabilitation. The rehabilitation  
37 expenses must, within a thirty-six-month period, exceed fifteen  
38 thousand dollars. A taxpayer shall not take more than one credit  
39 on the same certified historic residential structure within ten years.

40 (3) 'Rehabilitation expenses' means expenses incurred by  
41 the taxpayer in the certified rehabilitation of a certified historic  
42 residential structure that are paid before the credit is claimed  
43 including preservation and rehabilitation work done to the exterior

1 of a certified historic residential structure, repair and stabilization  
2 of historic structural systems, restoration of historic plaster, energy  
3 efficiency measures except insulation in frame walls, repairs or  
4 rehabilitation of heating, air-conditioning, or ventilating systems,  
5 repairs or rehabilitation of electrical or plumbing systems  
6 exclusive of new electrical appliances and electrical or plumbing  
7 fixtures, and architectural and engineering fees.

8 'Rehabilitation expenses' do not include the cost of acquiring or  
9 marketing the property, the cost of new construction beyond the  
10 volume of the existing certified historic residential structure, the  
11 value of an owner's personal labor, or the cost of personal  
12 property.

13 (4) 'State Historic Preservation Officer' means the Director  
14 of the Department of Archives and History or the director's  
15 designee who administers the historic preservation programs  
16 within the State.

17 (5) 'Owner-occupied residence' means a building or portion  
18 of a building in which the taxpayer has an ownership interest, in  
19 whole or in part, in fee, by life estate, or as the income beneficiary  
20 of a property trust, that is, after being placed in service, the  
21 residence of the taxpayer and is not:

- 22 (a) actively used in a trade or business;
- 23 (b) held for the production of income; or
- 24 (c) held for sales or disposition in the ordinary course of  
25 the taxpayer's trade or business."

26  
27 SECTION 6. Section 12-6-3630(A) of the 1976 Code, as added  
28 by Act 83 of 2007, is amended to read:

29  
30 "(A)For taxable years beginning after 2007, and before 2012, a  
31 taxpayer is allowed a credit against the income tax imposed  
32 pursuant to Chapter 6 of this title or the franchise tax on banks  
33 imposed pursuant to Chapter 11 of this title, license fees imposed  
34 pursuant to Chapter 20 of this title, or insurance premium tax  
35 imposed pursuant to Chapter 7, Title 38, or a combination of them,  
36 for a qualified contribution made by a taxpayer to the South  
37 Carolina Hydrogen Infrastructure Development Fund established  
38 pursuant to Chapter 46, Title 11. A contribution is not a qualified  
39 contribution if it is subject to a condition or limitation regarding  
40 the use of the contribution."

41  
42 SECTION 7. Section 12-6-4910(1)(a) of the 1976 Code, as last  
43 amended by Act 399 of 2000, is further amended to read:

1  
2 “(a) an individual not listed in subitem (c) who has a gross  
3 income for the taxable year of at least the federal exemption  
4 amount plus the applicable basic standard deduction, plus any  
5 deduction the taxpayer qualifies for pursuant to Section  
6 12-6-1170(B). If the individual is sixty-five or older, the standard  
7 deduction is increased as provided in Internal Revenue Code  
8 Section 63(c)(3) and 63(f)(1)(A). This section applies without  
9 regard to a reduction for the retirement income deduction, and  
10 whose filing status is:

11 (i) single, surviving spouse, or head of household; or  
12 (ii) married, filing separately, and whose spouse does  
13 not itemize deductions.”

14  
15 SECTION 8. Section 12-37-220(B)(23) of the 1976 Code is  
16 amended to read:

17  
18 “(23) Notwithstanding any other provision of law, property  
19 heretofore exempt from ad valorem taxation by reason of the  
20 imposition upon such property or the owner of such property of a  
21 tax other than an ad valorem tax pursuant to the provisions of  
22 Section 12-11-30, Section 12-13-50 or Section ~~12-21-1080~~  
23 12-21-1085 shall continue to be entitled to such exemption.”

24  
25 SECTION 9. Section 12-43-260 of the 1976 Code is amended to  
26 read:

27  
28 “Section 12-43-260. Any county which wilfully fails to comply  
29 with the provisions of this article shall not be entitled to twenty  
30 percent of the allocation of the taxes as provided for in the General  
31 Appropriations Act for State Aid to Subdivisions. The department  
32 shall issue a department determination in accordance with Section  
33 12-4-535, subject to review by the Administrative Law Court as  
34 provided in Section 12-4-535 and Chapter 60 of this title make  
35 application to the circuit court for a determination as to whether or  
36 not such county meets the requirements of this article. The  
37 department shall then, based on this determination, certify to the  
38 State Treasurer that such county meets the requirements of this  
39 article before any tax allocation is made to the county.”

40  
41 SECTION 10. Section 12-44-110(2) of the 1976 Code, as  
42 amended by Act 290 of 2011, is further amended to read:

43

1 “(2) property which has been subject to property taxes in this  
2 State, but which has never been placed in service in this State, or  
3 which was placed in service in this State pursuant to an  
4 inducement ~~agreement~~ resolution or other preliminary approval by  
5 the county prior to execution of the fee agreement pursuant to  
6 Section 12-44-40(E), may qualify as economic development  
7 property;”

8  
9 SECTION 11. Section 12-54-240(A) of the 1976 Code is  
10 amended to read:

11  
12 “(A) Except in accordance with proper judicial order or as  
13 otherwise provided by law, it is unlawful for a person to wilfully  
14 divulge or make known in any manner any particulars set forth or  
15 disclosed in any report or return required under Chapters 6, 8, 11,  
16 13, 16, 20, or 36 or Article 17 of, Chapter 21 of this title. A person  
17 violating the provisions of this section is guilty of a misdemeanor  
18 and, upon conviction, must be punished by a fine of not more than  
19 one thousand dollars or by imprisonment for not more than one  
20 year, or both. If the offender is an officer or an employee of the  
21 State, ~~he and is convicted of a violation of this section, the officer~~  
22 or employee must be dismissed from office and is disqualified  
23 from holding any public office in this State for a period of five  
24 years thereafter. If the offender is an officer or employee of a  
25 company retained by the State on an independent contract basis  
26 under subsection (B)(3) of this section or Section 12-4-350, and  
27 the officer or employee is convicted of a violation of this section,  
28 the contract is immediately terminated and the company is not  
29 eligible to contract with the State for this purpose for a period of  
30 five years thereafter.”

31  
32 SECTION 12. Section 12-60-50(A) of the 1976 Code, as last  
33 amended by Act 69 of 2003, is further amended to read:

34  
35 “(A) For purposes of this title and for other taxes, when the  
36 last day of a specified time period is a Saturday, Sunday, or a legal  
37 holiday, the end of the period is extended to the next business day.  
38 For this purpose, a legal holiday is any day the department or the  
39 offices of the United States Postal Service are closed or a holiday  
40 recognized by the Internal Revenue Service for purposes of  
41 determining the due date for taxpayers filing federal income tax  
42 returns, and for subarticles 9 and 13 of, Article 9 any day the  
43 county office is closed.”

1  
2 SECTION 13. Section 12-60-90 of the 1976 Code, as last  
3 amended by Act 116 of 2007, is further amended to read:

4  
5 “Section 12-60-90. (A) For the purposes of this section, the  
6 administrative tax process includes matters connected with  
7 presentation to a state or local tax authority, or their officials or  
8 employees, relating to a client’s rights, privileges, or liabilities  
9 pursuant to laws, regulations, or rules administered by state or  
10 local tax authorities. These presentations include the preparation  
11 and filing of necessary documents, correspondence with, and  
12 communications to, state and local tax authorities, and the  
13 representation of a client at conferences and meetings, including  
14 conferences with the county boards of assessment appeals. It does  
15 not include contested case hearings held by the Administrative  
16 Law Judge Division or the courts.

17 (B) State and local government tax officials and state and local  
18 government employees may represent their offices, agencies, or  
19 both, during the administrative tax process.

20 (C) Taxpayers may be represented during the administrative tax  
21 process by:

22 (1) the same individuals who may represent them in  
23 administrative tax proceedings with the Internal Revenue Service  
24 pursuant to Section 10.3(a), (b), ~~and (c)~~, and (f), Section 10.7(a),  
25 (c)(1)(i) through (c)(1)(vi), ~~and (e)(1)(viii)~~, and Section 10.7(d)  
26 ~~and (e)~~ of United States Treasury Department Circular No. 230;  
27 and

28 (2) a real estate appraiser who is registered, licensed, or  
29 certified pursuant to Chapter 60 of Title 40 during the  
30 administrative tax process in a matter limited to questions  
31 concerning the valuation of real property.

32 (D) The department may suspend or disbar from practice in the  
33 administrative tax process or censure any person authorized by  
34 these rules to represent taxpayers, if the person is shown to be  
35 incompetent, disreputable, or fails or refuses to comply with the  
36 rules in subsection (E), or in any manner, with intent to defraud,  
37 wilfully and knowingly deceives, misleads, or threatens any person  
38 or prospective person to be represented, by word, circular, letter, or  
39 by advertisement. The department may impose a monetary penalty  
40 on the representative, and if the representative was acting on behalf  
41 of an employer or any firm or other entity in connection with the  
42 conduct giving rise to the penalty, the department may impose a  
43 monetary penalty on the employer, firm, or entity if it knew, or

1 reasonably should have known, of the conduct. The penalty may  
2 not exceed the gross income derived, or to be derived, from the  
3 conduct giving rise to the penalty and may be in addition to, or  
4 instead of, suspension, disbarment, or censure of the  
5 representative. For the purposes of this section, incompetence and  
6 disreputable conduct is defined in Section 10.51 of United States  
7 Treasury Department Circular No. 230. The department may  
8 review a petition for reinstatement as provided in Section 10.81.

9 (E) Representatives of taxpayers must comply with the duties  
10 and restrictions contained in Sections 10.20 through 10.24 and  
11 10.27 through 10.34 of United States Treasury Department  
12 Circular No. 230.

13 (F) For purposes of this section the terms in United States  
14 Treasury Department Circular No. 230 must be given the meanings  
15 necessary to effectuate this section. For example, unless a  
16 different meaning is required:

17 (1) references to United States Treasury Department  
18 Circular No. 230 mean the United States Treasury Department  
19 Circular No. 230 as revised through the date provided for in the  
20 definition of the Internal Revenue Code in Section 12-6-40(A);

21 (2) references in United States Treasury Department  
22 Circular No. 230 to:

23 (a) the United States or federal are deemed to include  
24 references to this State, any of its political subdivisions, or any two  
25 or more of them;

26 (b) the Internal Revenue Service, the Department of  
27 Treasury, Examination Division, or District Director are deemed to  
28 include references to any state or local tax authority; ~~and~~

29 (c) the ~~Director of Practice~~ commissioner, delegate, or  
30 Director of the Office of Professional Responsibility is deemed to  
31 mean the director or his designee; and

32 (d) a registered tax return preparer is deemed to include  
33 references to any person that prepares a South Carolina tax return;

34 (3) references to tax return mean appropriate return,  
35 including property tax returns filed with the department;

36 (4) references to federal tax obligations include all South  
37 Carolina taxes, including property taxes and property tax  
38 assessments, where administered by the department.”

39  
40 SECTION 14. Section 12-65-30(A)(2) of the 1976 Code, as last  
41 amended by Act 182 of 2010, is further amended to read:

42

1 “(2) a credit against income taxes imposed pursuant to Chapter  
2 6 of this title and franchise taxes on banks imposed pursuant to  
3 Chapter 11 of this title or corporate license fees pursuant to  
4 Chapter 20 of this title, or insurance premium taxes imposed by  
5 Chapter 7, Title 38, or any of them.”

6  
7 SECTION 15. Section 44-43-1360 of the 1976 Code, as last  
8 amended by Act 92 of 2007, is further amended to read:

9  
10 “Section 44-43-1360. The board may employ a director and  
11 other staff as necessary to carry out the provisions of this article;  
12 however, administration of this article may not exceed twenty  
13 percent of the total funds credited to Donate Life South Carolina,  
14 excluding the administrative fee paid to the Department of  
15 Revenue pursuant to Sections ~~12-6-5065~~ 12-6-5060 and  
16 56-1-143.”

17  
18 SECTION 16. If any section, subsection, paragraph,  
19 subparagraph, sentence, clause, phrase, or word of this act is for  
20 any reason held to be unconstitutional or invalid, such holding  
21 shall not affect the constitutionality or validity of the remaining  
22 portions of this act, the General Assembly hereby declaring that it  
23 would have passed this act, and each and every section, subsection,  
24 paragraph, subparagraph, sentence, clause, phrase, and word  
25 thereof, irrespective of the fact that any one or more other sections,  
26 subsections, paragraphs, subparagraphs, sentences, clauses,  
27 phrases, or words hereof may be declared to be unconstitutional,  
28 invalid, or otherwise ineffective.

29  
30 SECTION 17. Except where otherwise provided, this act takes  
31 effect upon approval by the Governor.

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