**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3379 SO AS TO ALLOW A STATE INCOME TAX CREDIT EQUAL TO THIRTY PERCENT OF THE COST TO THE TAXPAYER FOR THE PURCHASE AND INSTALLATION OF A SOLAR OR WIND ENERGY SYSTEM ON PROPERTY IN THIS STATE AND TO PROVIDE THE REQUIREMENTS APPLICABLE FOR CLAIMING THIS CREDIT.

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

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

“Section 12‑6‑3379. (A) There is allowed as a credit against the taxes imposed pursuant to this chapter, an amount equal to thirty percent of the cost that is paid or incurred by a taxpayer during the taxable year for the purchase and installation of a solar or wind energy system installed on property in this State.

(B) For purposes of this section:

(1) ‘Solar energy system’ means a solar energy device, in the form of a photovoltaic system, with a peak generating capacity of up to, but not more than two hundred kilowatts, used for the individual function of generating electricity, that is certified by the State Energy Office and installed with a five‑year warranty against breakdown or undue degradation.

(2) ‘Wind energy system’ means a wind energy conversion system consisting of a wind turbine, a tower, and associated control or conversion electronics, with a peak generating capacity of up to, but not exceeding, two hundred kilowatts, used for the individual function of generating electricity, that is certified by the State Energy Office and installed with a five‑year warranty against breakdown or undue degradation.

(C) A credit is allowed pursuant to this section with respect to only one solar or wind energy system for each separate parcel of property or for each address of the taxpayer in the State. This credit is not allowed unless the solar or wind energy system is actually used for purposes of producing electricity and primarily used to meet the taxpayer’s own energy needs. The basis of the solar or wind energy system is reduced by the amount allowed as a credit pursuant to subsection (A). If a solar or wind energy system for which a credit is allowed pursuant to this section is sold or removed from this State within one year from the date the solar or wind energy system is first placed in service in this State, the amount of credit allowed by this section for that solar or wind energy system must be recaptured by adding that credit amount to the tax of the taxpayer for the taxable year in which the solar or wind energy system is sold or removed. In the case where the credit allowed by this section exceeds the tax due, the excess may be carried forward for five succeeding taxable years.

(D) No credit is allowed pursuant to this section for a taxpayer claiming the credit allowed pursuant to Section 12‑6‑3587.”

SECTION 2. This act takes effect upon approval by the Governor and applies for purchases and installations in taxable years beginning after 2008.

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