**A** **BILL**

TO AMEND SECTION 12‑6‑3610, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TAX CREDIT FOR PLACING IN SERVICE PROPERTY USED FOR THE DISTRIBUTION OR DISPENSING OF RENEWABLE FUEL AND THE TAX CREDIT FOR PLACING IN SERVICE A COMMERCIAL FACILITY FOR THE PRODUCTION OF RENEWABLE FUEL, SO AS TO MAKE THE TAX CREDIT FOR PLACING IN SERVICE PROPERTY USED FOR THE DISTRIBUTION OR DISPENSING OF RENEWABLE FUEL APPLICABLE INSTEAD TO ALTERNATIVE FUEL, TO FURTHER DEFINE ALTERNATIVE FUEL FOR PURPOSES OF THE TAX CREDIT, AND TO PERMIT THE ENTIRE CREDIT OR ANY PORTION OF IT TO BE TAKEN IN ONE TAXABLE YEAR.

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

SECTION 1. Section 12‑6‑3610(A) of the 1976 Code, as last amended by Act 261 of 2008, is further amended to read:

“(1) A taxpayer that purchases or constructs and installs and places in service in this State property that is used for distribution or dispensing ~~renewable~~ alternative fuel specified in this subsection, at a new or existing commercial fuel distribution or dispensing facility, is allowed a credit equal to twenty‑five percent of the cost to the taxpayer of purchasing, constructing, and installing the property against the taxpayer’s liability for a tax imposed pursuant to this chapter.

(2) Eligible property includes pumps, storage tanks, and related equipment that is directly and exclusively used for distribution, dispensing, or storing ~~renewable~~ alternative fuel. A taxpayer is qualified for a tax credit provided pursuant to this subsection if the equipment used to store, distribute, or dispense ~~renewable~~ alternative fuel is labeled for this purpose and clearly identified as associated with ~~renewable~~ alternative fuel.

(3) The entire credit or any portion of it may ~~not~~ be taken for the taxable year in which the property is placed in service ~~but must be taken in three equal annual installments beginning with the taxable year in which the property is placed in service. If, in one of the years in which the installment of a credit accrues, property directly and exclusively used for distributing, dispensing, or storing renewable fuel is disposed of or taken out of service and is not replaced, the credit expires and the taxpayer may not take any remaining installment of the credit~~.

(4) The unused portion of an unexpired credit may be carried forward for not more than ten succeeding taxable years.

(5) For purposes of this subsection, ‘~~renewable~~ alternative fuel’ ~~means~~ includes fuels the dispensing of which gives rise to the federal alternative fuel infrastructure tax credit including E70 or greater ethanol fuel, ~~dispensed at the retail level for use in motor vehicles~~ B20 or greater biodiesel fuel, natural gas, liquefied petroleum gas (propane), hydrogen, electricity dispensed at the retail level for use in motor vehicles, and pure ethanol or biodiesel fuel dispensed by a distributor or facility that blends these nonpetroleum liquids with gasoline fuel or diesel fuel for use in motor vehicles.”

SECTION 2. This act takes effect upon approval by the Governor.

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