**South Carolina General Assembly**

119th Session, 2011-2012

**S. 325**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Rankin

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Introduced in the Senate on January 11, 2011

Currently residing in the Senate Committee on **Finance**

Summary: Road Improvement Fund

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/15/2010 Senate Prefiled

12/15/2010 Senate Referred to Committee on **Finance**

1/11/2011 Senate Introduced and read first time ([Senate Journal‑page 146](file:///h:\sj%20archive\2011\01-11-11.docx))

1/11/2011 Senate Referred to Committee on **Finance** ([Senate Journal‑page 146](file:///h:\sj%20archive\2011\01-11-11.docx))

**VERSIONS OF THIS BILL**

[12/15/2010](file:///p:\pprever\2011-12\325_20101215.docx)

**A** **BILL**

TO AMEND SECTION 12‑36‑2110 OF THE 1976 CODE, RELATING TO THE MAXIMUM TAX, TO PROVIDE THAT THE MAXIMUM TAX ON MOTOR VEHICLES SHALL INCREASE BEGINNING JULY 1, 2011, TO SIX HUNDRED DOLLARS, AND THAT THE MAXIMUM TAX ON MOTOR VEHICLES SHALL CONTINUE TO INCREASE EACH FISCAL YEAR THEREAFTER UNTIL JUNE 30, 2014, AT WHICH TIME THERE SHALL BE NO MAXIMUM TAX ON MOTOR VEHICLES; AND TO ADD SECTION 11‑11‑240 TO CREATE THE ROAD IMPROVEMENT FUND, AND TO PROVIDE THAT ALL SALES TAX ON MOTOR VEHICLES IN EXCESS OF THREE HUNDRED DOLLARS PER SALE OR LEASE SHALL BE CREDITED TO THE FUND AND THAT THE FUND MAY BE USED FOR CERTAIN ROAD CONSTRUCTION PROJECTS.

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

SECTION 1. Section 12‑36‑2110 of the 1976 Code is amended to read:

“Section 12‑36‑2110. (A) The maximum tax imposed by this chapter is three hundred dollars for each sale made after June 30, 1984, or lease executed after August 31, 1985, of each:

(1) aircraft, including unassembled aircraft which is to be assembled by the purchaser, but not items to be added to the unassembled aircraft;

(2) ~~motor vehicle;~~

~~(3)~~ motorcycle;

~~(4)~~(3) boat;

~~(5)~~(4) trailer or semitrailer, pulled by a truck tractor, as defined in Section 56‑3‑20, and horse trailers, but not including house trailers or campers as defined in Section 56‑3‑710 or a fire safety education trailer;

~~(6)~~(5) recreational vehicle, including tent campers, travel trailer, park model, park trailer, motor home, and fifth wheel; or

~~(7)~~(6) self‑propelled light construction equipment with compatible attachments limited to a maximum of one hundred sixty net engine horsepower.

In the case of a lease, the total tax rate required by law applies on each payment until the total tax paid equals three hundred dollars. Nothing in this section prohibits a taxpayer from paying the total tax due at the time of execution of the lease, or with any payment under the lease. To qualify for the tax limitation provided by this section, a lease must be in writing and specifically state the term of, and remain in force for, a period in excess of ninety continuous days.

(B) For the sale of a manufactured home, as defined in Section 40‑29‑20, the tax is calculated as follows:

(1) subtract trade‑in allowance from the sales price;

(2) multiply the result from item (1) by sixty‑five percent;

(3) if the result from item (2) is no greater than six thousand dollars, multiply by five percent for the amount of tax due;

(4) if the result from item (2) is greater than six thousand dollars, the tax due is three hundred dollars plus two percent of the amount greater than six thousand dollars.

However, a manufactured home is exempt from any tax in excess of three hundred dollars that may be due as a result of the calculation in item (4) if it meets these energy efficiency levels: storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of the insulation only of R‑11 for walls, R‑19 for floors, and R‑30 for ceilings. However, variations in the energy efficiency levels for walls, floors, and ceilings are allowed and the exemption on tax due above three hundred dollars applies if the total heat loss does not exceed that calculated using the levels of R‑11 for walls, R‑19 for floors, and R‑30 for ceilings. The edition of the American Society of Heating, Refrigerating, and Air Conditioning Engineers Guide in effect at the time is the source for heat loss calculation. Notwithstanding the provisions of this subsection, from July 1, 2009, to July 1, 2019, a manufactured home is exempt from any tax that may be due as a result of the calculation in this subsection if it has been designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency’s energy saving efficiency requirements or has been designated as meeting or exceeding such requirements under each agency’s ENERGY STAR program. The dealer selling the manufactured home must maintain records, on forms provided by the State Energy Office, on each manufactured home sold that meets the energy efficiency levels provided for in this subsection. These records must be maintained for three years and must be made available for inspection upon request of the Department of Consumer Affairs or the State Energy Office.

The maximum tax authorized by this subsection does not apply to a single‑family modular home regulated pursuant to Chapter 43, Title 23.

(C) For the sale of each musical instrument, or each piece of office equipment, purchased by a religious organization exempt under Internal Revenue Code Section 501(c)(3), the maximum tax imposed by this chapter is three hundred dollars. The musical instrument or office equipment must be located on church property and used exclusively for the organizations exempt purpose. The religious organization must furnish to the seller an affidavit on forms prescribed by the department. The affidavit must be retained by the seller.

(D) Repealed.

(E) Equipment provided, supplied, or installed on a firefighting vehicle is included with the vehicle for purposes of calculating the maximum tax due under this section.

(F)(1) For the sale of a motor vehicle or the execution of a lease for a motor vehicle between July 1, 2011, and June 30, 2012, the maximum tax imposed by this chapter is six hundred dollars.

(2) For the sale of a motor vehicle or the execution of a lease for a motor vehicle between July 1, 2012, and June 30, 2013, the maximum tax imposed by this chapter is one thousand dollars.

(3) For the sale of a motor vehicle or the execution of a lease for a motor vehicle between July 1, 2013, and June 30, 2014, the maximum tax imposed by this chapter is one thousand two hundred dollars.

(4) The maximum tax allowed by this section shall not apply to the sale of a motor vehicle or the execution of a lease for a motor vehicle after June 30, 2014.

(5) The department shall remit to the Road Improvement Fund, established pursuant to Section 11‑11‑240, all monies collected pursuant to this chapter in excess of three hundred dollars per sale or lease.”

SECTION 2. Article 1, Chapter 11, Title 11 of the 1976 Code is amended by adding:

“Section 11‑11‑240. (A) There is established in the Office of the State Treasurer a fund separate and distinct from the general fund of this State, known as the ‘Road Improvement Fund’. The Department of Revenue shall remit to the fund all monies collected pursuant to Chapter 36 of Title 12 in excess of three hundred dollars per motor vehicle sale or lease. Any interest earned on the fund must be credited to the fund.

(B) The monies in the fund shall be used to support road construction projects in this State that:

(1) provide economic benefits and stimulate economic development;

(2) provide an evacuation route;

(3) stimulate tourism;

(4) improve overall quality of life; and

(5) create routes for transshipping goods from ports.

(C) The Department of Transportation Commission, in consultation with the State Infrastructure Bank board, shall determine which projects meet the criteria for funding pursuant to this section and the amounts to be awarded.”

SECTION 3. This act takes effect upon approval by the Governor.

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