**South Carolina General Assembly**

119th Session, 2011-2012

**S. 475**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Rankin

Document Path: l:\council\bills\nbd\11158dg11.docx

Introduced in the Senate on January 27, 2011

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

Summary: Sales and use tax exemptions

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/27/2011 Senate Introduced and read first time ([Senate Journal‑page 12](file:///h:\sj%20archive\2011\01-27-11.docx))

1/27/2011 Senate Referred to Committee on **Finance** ([Senate Journal‑page 12](file:///h:\sj%20archive\2011\01-27-11.docx))

**VERSIONS OF THIS BILL**

[1/27/2011](file:///p:\pprever\2011-12\475_20110127.docx)

**A** **BILL**

TO AMEND SECTION 12‑36‑2110, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MAXIMUM TAX ON CERTAIN SALES AND LEASES, SO AS TO ELIMINATE THE MAXIMUM TAX ON MOTOR VEHICLES ON JUNE 30, 2014; TO AMEND SECTION 12‑36‑2120, AS AMENDED, RELATING TO SALES TAX EXEMPTIONS, SO AS TO EXEMPT FIFTY PERCENT OF THE GROSS PROCEEDS OF SALES OF THE SALE OR LEASE OF A MOTOR VEHICLE; BY ADDING SECTION 4‑1‑185 SO AS TO PROVIDE THAT ANY LOCAL SALES AND USE TAX LEVIED SHALL NOT BE IMPOSED ON THE GROSS PROCEEDS OF THE SALES OR LEASE OF A MOTOR VEHICLE; BY ADDING SECTION 11‑11‑240 SO AS TO CREATE THE ROAD CONSTRUCTION FUND AND PROVIDE THE MANNER IN WHICH MONIES IN THE FUND MAY BE EXPENDED; AND BY ADDING SECTION 12‑36‑960 SO AS TO PROVIDE THAT THE REVENUE COLLECTION FROM THE SALE OR LEASE OF A MOTOR VEHICLE IN EXCESS OF COLLECTIONS FOR THE SALE OR LEASE OF A MOTOR VEHICLE IN FISCAL YEAR 2010‑2011 MUST BE CREDITED TO THE ROAD CONSTRUCTION FUND.

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

SECTION 1. A. Section 12‑36‑2110(A) of the 1976 Code, as last amended by Act 161 of 2005, is further amended to read:

“(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. This section takes effect July 1, 2011.

SECTION 2. Section 12‑36‑2120(d) of the 1976 Code, as last amended by Act 280 of 2010, is further amended by adding an appropriately numbered subsection to read:

“( ) effective July 1, 2011, fifty percent of the gross proceeds of sales of the sale or lease of a motor vehicle.”

SECTION 3. Article 9, Chapter 36, Title 12 of the 1976 Code is amended by adding:

“Section 12‑36‑960. The revenue of the taxes imposed by this article on the sale or lease of a motor vehicle in excess of collections for the sale or lease of a motor vehicle in fiscal year 2010‑2011 must be credited to the Road Construction Fund, established pursuant to Section 11‑11‑240.”

SECTION 4. Chapter 1, Title 4 of the 1976 Code is amended by adding:

“Section 4‑1‑185. Any local sales and use tax levied pursuant to this title or otherwise administered by the South Carolina Department of Revenue shall not be imposed on the gross proceeds of the sales or lease of a motor vehicle.”

SECTION 5. 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 Construction Fund’. The Department of Revenue shall remit to the fund all monies collected pursuant to Chapter 36, Title 12 in excess of collections for the sale or lease of a motor vehicle in fiscal year 2010‑2011. 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 6. Except where otherwise provided this act takes effect upon approval by the Governor.

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