**A** **BILL**

TO AMEND SECTION 12‑36‑2110, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MAXIMUM SALES, USE, OR CASUAL EXCISE TAX ON CERTAIN ITEMS OF TANGIBLE PERSONAL PROPERTY, INCLUDING MOTOR VEHICLES, SO AS TO INCREASE THE MAXIMUM TAX FROM THREE HUNDRED TO FIVE HUNDRED DOLLARS; AND BY ADDING SECTION 12‑36‑2115 SO AS TO PROVIDE A CREDIT EQUAL TO ONE‑HALF THE SALES, USE, OR CASUAL EXCISE TAX OTHERWISE DUE ON THE SALE OR LEASE OF A MOTOR VEHICLE IN WHICH THE AMOUNT SUBJECT TO THE TAX IMPOSED BY THIS CHAPTER IS TEN THOUSAND DOLLARS OR LESS.

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

SECTION 1. 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~~ five hundred dollars for each sale made after June 30, ~~1984~~ 2011, or lease executed after ~~August 31, 1985~~ June 30, 2011, 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) boat;

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

(7) 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~~ five 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 specifically state the term of, and remain in force for, a period in excess of ninety continuous days.”

SECTION 2. Article 21, Chapter 36, Title 12 of the 1976 Code is amended by adding:

“Section 12‑36‑2115. When the amount subject to tax pursuant to this chapter on the sale or lease of a motor vehicle is ten thousand dollars or less, there is allowed as a credit against the sales, use, or casual excise tax otherwise due an amount equal to one‑half of the tax.”

SECTION 3. This act takes effect July 1, 2011, and the amendment to Section 12‑36‑2110(A) of the 1976 Code as contained in this act does not apply to any contract of sale entered into or lease agreement executed before that date.

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