**A** **BILL**

TO AMEND SECTION 12‑36‑2120, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE REQUIREMENTS FOR A SALES TAX EXEMPTION OF CERTAIN ITEMS FOR CERTAIN FACILITIES RESEARCHING AND TESTING THE IMPACT OF NATURAL DISASTERS, SO AS TO PROVIDE THAT THE QUALIFYING INVESTMENT OF AT LEAST TWENTY MILLION DOLLARS MAY BEGIN AT ANY TIME PERIOD AFTER JANUARY 1, 2009, AND ALL OR A PORTION MAY OCCUR BEFORE THE TAXPAYER NOTIFIES THE DEPARTMENT OF REVENUE OF ITS INTENTION.

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

SECTION 1. Section 12‑36‑2120(78) of the 1976 Code, as added by Act 280 of 2010, is amended to read:

“(78) machinery and equipment, building and other raw materials, and electricity used in the operation of a facility owned by an organization which qualifies as a tax exempt organization pursuant to the Internal Revenue Code Section 501(c)(3) when the facility is principally used for researching and testing the impact of such natural hazards as wind, fire, water, earthquake, and hail on building materials used in residential, commercial, and agricultural buildings. To qualify for this exemption, the taxpayer shall notify the department of its intent to qualify and shall invest, for the period beginning January 1, 2009, at least twenty million dollars in real or personal property at a single site in this State over the three‑year period beginning on the date provided by the taxpayer to the department in its notices. The qualifying investment of at least twenty million dollars may begin at any time period after December 31, 2008, and all or a portion may occur before the taxpayer provides the notice. After the taxpayer notifies the department of its intent to qualify and use the exemption, the department shall issue an appropriate exemption certificate to the taxpayer to be used for qualifying purposes. Within six months of the third anniversary of the taxpayer’s first use of the exemption, the taxpayer shall notify the department in writing that it has met the twenty million dollar investment requirement or, that it has not met the twenty million dollar investment requirement. The department may assess any tax due on the machinery and equipment purchased tax free pursuant to this item but due the State as a result of the taxpayer’s failure to meet the twenty million dollar investment requirement. The running of the periods of limitations for assessment of taxes provided in Section 12‑54‑85 is suspended for the time period beginning with notice to the department before the taxpayer uses the exemption and ending with notice to the department that the taxpayer either has met or has not met the twenty million dollar investment requirement.”

SECTION 2. This act takes effect upon approval by the Governor and applies to all qualifying facilities placed in service after December 31, 2008, regardless of the date of the taxpayer’s notice and regardless of the date the taxpayer began making the requisite capital investment so long as the capital investment is made after December 31, 2008.

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