**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3592 SO AT TO ALLOW AN INCOME TAX CREDIT IN AN AMOUNT EQUAL TO TWENTY‑FIVE PERCENT OF THE COSTS INCURRED BY A TAXPAYER IN THE PURCHASE AND INSTALLATION OF A GEOTHERMAL HEAT PUMP SYSTEM.

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

SECTION 1. Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3592. (A) There is allowed a tax credit against the income tax liability of a taxpayer in an amount equal to twenty‑five percent of the costs incurred by the taxpayer in the purchase and installation of a geothermal heat pump system in or on a facility in South Carolina that is owned by the taxpayer. The tax credit allowed by this section must not be claimed before the completion of the installation. The amount of the credit in any year shall not exceed three thousand five hundred dollars for each facility or fifty percent of the taxpayer’s tax liability for that taxable year, whichever is less. If the amount of the credit exceeds three thousand five hundred dollars for each facility, the taxpayer may carry forward the excess for up to ten years.

(B) For purposes of this section:

(1) ‘Geothermal heat pump system’ means a system that uses the ground or groundwater as a thermal energy source to heat a structure or as a thermal energy sink to cool a structure.

(2) ‘System’ includes all controls, tanks, pumps, heat exchangers, and other equipment used directly and exclusively for the geothermal heat pump system. The term ‘system’ does not include any land or structural elements of the building such as walls and roofs or other equipment ordinarily contained in the structure.”

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

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