**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3595 SO AS TO PROVIDE AN INCOME TAX CREDIT TO A TAXPAYER IN THE BUSINESS OF SELLING MOTOR FUEL FOR THE PURCHASE AND INSTALLATION OF A GENERATOR SO AS TO ENABLE THE TAXPAYER TO SELL MOTOR FUEL IN THE CASE OF AN ELECTRICAL OUTAGE, TO SPEFICFY THE MANNER IN WHICH THE CREDIT MAY BE CLAIMED, AND TO PROVIDE FOR A REFUND TO THE DEPARTMENT OF REVENUE IN CASE OF CERTAIN EVENTS.

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

SECTION 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3595. (A) Subject to the conditions of subsection (B), there is allowed an income tax credit to any taxpayer that is in the business of selling motor fuel at retail in this State, and meets the definition of ‘ultimate vendor’ as defined in Section 12‑28‑110, for the purchase and installation of a generator in this State so as to enable the taxpayer to sell motor fuel in the case of an electrical outage. The credit equals thirty percent of the cost incurred to purchase and install the generator.

(B)(1) To ensure that every person in this State has the opportunity to purchase motor fuel in the case of an electrical outage in a manner that is cost efficient to this State, the credit is limited to ten taxpayers in each county each year. A taxpayer seeking to claim the credit provided in this section must submit an application to the department for tentative approval of the credit. Within forty‑five days of receipt of the application, the department must review the application and tentatively shall approve the application upon determining that the taxpayer qualifies for the credit, and only if the maximum number of credits for the county has not yet been reached for the taxable year. The department shall notify the taxpayer whether the credit may be claimed and the amount that may be claimed.

(2) The credit is allowed on a first come, first serve basis. In no event shall the maximum number of tax credits approved by the department for the county in a taxable year exceed the limitations specified in item (1). In the event the taxpayer timely files an application for the credit but is not allowed the credit because of the limitations set forth in item (1), the taxpayer must be added to a priority waiting list of applications, prioritized by the date of the taxpayer’s first filed application. With respect to the credit allocation in subsequent years, a taxpayer on the priority waiting list shall have priority over other taxpayers who apply for the credit for an installation in the subsequent year. For purposes of item (1), a taxpayer on the priority waiting list who is allowed the credit in a taxable year after the equipment is purchased and installed, the credit is considered taken in the year in which the credit is first allowed.

(C) If the generator with respect to which the credit was claimed is disposed of, taken out of service, moved out of State, or not used to sell motor fuel in the case of an electrical outage, within ten years of the purchase and installation of the generator, the taxpayer must refund to the department an amount equal to the original credit minus ten percent of the credit for each year the generator was installed in this State.

(D) The department shall develop an application form and adopt rules and promulgate regulations necessary to provide for the administration of this credit.”

SECTION 2. This act takes effect upon approval by the Governor and applies to taxpayers that purchase and install a generator in this State after January 1, 2013.

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