**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3378 SO AS TO PROVIDE A TAX CREDIT FOR THE IN‑STATE PURCHASE OR LEASE OF A NEW QUALIFIED HYBRID ELECTRIC VEHICLE, NEW QUALIFIED BATTERY ELECTRIC VEHICLE, OR NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE UNDER 8,500 GROSS VEHICLE WEIGHT RATING, TO PROVIDE A TEN PERCENT CREDIT FOR THE IN‑STATE PURCHASE OR LEASE OF A NEW QUALIFIED HYBRID ELECTRIC VEHICLE, NEW QUALIFIED BATTERY ELECTRIC VEHICLE, OR NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE, TO PROVIDE THAT THE AMOUNT OF THE CREDIT VARIES BASED ON THE GROSS VEHICLE WEIGHT RATING, AND TO PROVIDE THE PROCESS BY WHICH THE CREDIT MAY BE CLAIMED; TO AMEND SECTION 1‑11‑220, AS AMENDED, RELATING TO THE FLEET MANAGEMENT PROGRAM, SO AS TO PROVIDE THAT THE PROGRAM SHALL SEEK TO PROMOTE THE USE OF CLEAN, DOMESTIC, AND EFFICIENT FUELS; TO AMEND SECTION 1‑11‑310, AS AMENDED, RELATING TO THE ACQUISITION OF THE STATE FLEET, SO AS TO ADD PREFERENCE FOR COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, LIQUEFIED PETROLEUM GAS, AND BATTERY ELECTRIC VEHICLES WHEN PRACTICAL; TO AMEND SECTION 1‑11‑315, RELATING TO THE FEASIBILITY OF USING ALTERNATIVE FUELS FOR THE STATE VEHICLE FLEET, SO AS TO REQUIRE THE DIVISION OF MOTOR VEHICLE MANAGEMENT TO PROVIDE A PLAN FOR THE REPLACEMENT OF STATE‑OWNED VEHICLES WITH VEHICLES USING ALTERNATIVE FUELS, AND TO REQUIRE THE DIVISION TO SUBMIT THE PLAN TO THE GENERAL ASSEMBLY AND GOVERNOR; TO AMEND SECTION 59‑67‑585, RELATING TO THE USE OF BIODIESEL FUEL IN THE STATE SCHOOL BUS FLEET, SO AS TO PROVIDE A PREFERENCE IN PURCHASING HYBRID, PLUG‑IN HYBRID, BIODIESEL, HYDROGEN, FUEL CELL, COMPRESSED NATURAL GAS, LIQUEFIED NATURAL GAS, LIQUEFIED PETROLEUM GAS, BATTERY ELECTRIC, OR FLEX‑FUEL SCHOOL BUSES WHEN PERFORMANCE, QUALITY, AND LIFE CYCLE COSTS ARE COMPARABLE TO OTHER SCHOOL BUSES; AND TO REPEAL SECTION 12‑6‑3377 RELATING TO THE TAX CREDIT FOR THE PURCHASE OF CERTAIN VEHICLES THAT ARE SIMILAR TO THE VEHICLES FOR WHICH THE CREDIT IN SECTION 12‑6‑3378 IS ESTABLISHED.

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 12‑6‑3378. (A) For taxable years beginning after December 31, 2014, a South Carolina resident taxpayer is allowed a nonrefundable tax credit against the income tax imposed pursuant to this chapter for the in‑state purchase or lease of a new qualified hybrid electric vehicle, new battery electric vehicle, or new qualified alternative fuel motor vehicle. In order to qualify for the credit, the original use of the vehicle must commence with the taxpayer and the vehicle must be acquired for use or lease by the taxpayer and not for resale.

(B) A qualified hybrid electric vehicle is a vehicle that:

(1) is a light duty vehicle listed in the hybrid electric vehicle section of the most recent edition of the United States Department of Energy Clean Cities Vehicle Buyer’s Guide or is a medium or heavy duty vehicle listed in the hybrid propulsion system manufacturers section of the United States Department of Energy Clean Cities Guide to Alternative Fuel and Advanced Medium and Heavy Duty Vehicles;

(2) draws propulsion energy from onboard sources of stored energy which are both (i) an internal combustion or heat engine using consumable fuel, and (ii) a rechargeable energy storage system; and

(3) does not have an external electrical plug connector that directly charges a battery or energy storage system.

(C) A qualified battery electric vehicle is a vehicle that is:

(1) manufactured primarily for use on public streets, roads, and highways and propelled by an electric motor which draws electricity from a battery which has a capacity of not less than four kilowatt hours and is capable of being recharged from an external source of electricity; and

(2) procured as a battery electric vehicle from an original equipment manufacturer or is converted to operate as a battery electric vehicle by a third party.

(D) A qualified alternative fuel vehicle is a vehicle that:

(1) operates on compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, or hydrogen fuel cell; and

(2) is procured as an alternative fuel motor vehicle from an original equipment manufacturer or is converted to operate on a qualified alternative fuel by a third party vendor who possesses a current and legal Certificate of Conformity from the Environmental Protection Agency’s Office of Transportation and Air Quality specific to the qualified alternative fuel vehicle.

(E) The credit allowed by this section:

(1) is equal to five hundred dollars for a new qualified vehicle with a gross vehicle weight rating less than 8,500 pounds;

(2) is equal to one thousand dollars for a new qualified vehicle with a gross vehicle weight rating greater than 8,500 pounds, but less than 14,000 pounds;

(3) is equal to two thousand five hundred dollars for a new qualified vehicle with a gross vehicle weight rating greater than 14,000 pounds, but less than 26,000 pounds; or

(4) is equal to five thousand dollars for a new qualified vehicle with a gross vehicle weight rating greater than 26,000 pounds.

(F) The credit allowed by this section may be carried forward for five years.

(G) The credit allowed by this section is not allowed for purchases or conversions made after December 31, 2021.”

SECTION 2. Section 1‑11‑220 of the 1976 Code, as last amended by Act 203 of 2008, is further amended by adding an appropriately lettered item at the end to read:

“( ) to promote the use of clean, domestic, and efficient fuels.”

SECTION 3. Section 1‑11‑310(H) of the 1976 Code, as added by Act 203 of 2008, is further amended to read:

“(H) Preference in purchasing state motor vehicles must be given to hybrid, plug‑in hybrid, ~~bio‑diesel~~ biodiesel, hydrogen, fuel cell, compressed natural gas, liquefied natural gas, liquefied petroleum gas, battery electric, or flex‑fuel vehicles when the performance, quality, and anticipated life cycle costs are comparable to other available motor vehicles.”

SECTION 4. Section 1‑11‑315 of the 1976 Code, as added by Act 449 of 1992, is amended to read:

“Section 1‑11‑315. ~~The State Budget and Control Board Division of Motor Vehicle Management shall determine the extent to which the state vehicle fleet can be configured to operate on alternative transportation fuels. This determination must be based on a thorough evaluation of each alternative fuel and the feasibility of using such fuels to power state vehicles. The state fleet must be configured in a manner that will serve as a model for other corporate and government fleets in the use of alternative transportation fuel. By March 1, 1993, the Division of Motor Vehicle Management must submit a plan to the General Assembly for the use of alternative transportation fuels for the state vehicle fleet that will enable the state vehicle fleet to serve as a model for corporate and other government fleets in the use of alternative transportation fuel. This plan must contain a cost/benefit analysis of the proposed changes.~~ The state fleet must be configured in a manner that will serve as a model for other government and private sector fleets in the use of alternative fuel vehicles and promote the use of clean, domestic, and efficient fuels. On or before January 1, 2015, the State Budget and Control Board’s Fleet Management Office shall establish a plan providing for the replacement of state‑owned or operated vehicles with vehicles that operate using hybrid, plug‑in hybrid, biodiesel, hydrogen, fuel cell, compressed natural gas, liquefied natural gas, liquefied petroleum gas, battery electric, or flex‑fuel, to the greatest extent practicable, considering available infrastructure, the location and use of vehicles, capital and operating costs, and potential for fuel savings. The plan must provide for a proposed timeline along with realistic goals and recommendations for implementation in South Carolina. The plan must contain a cost/benefit analysis of the proposed changes. The plan must be submitted to the General Assembly and the Governor.”

SECTION 5. Section 59‑67‑585 of the 1976 Code, as added by Act 79 of 2007, is amended to read:

“Section 59‑67‑585. The State Department of Education~~, when feasible,~~ shall ~~utilize biodiesel fuel as an energy source to power the state school bus fleet~~ provide a preference in purchasing for the state school bus fleet to hybrid, plug‑in hybrid, biodiesel, hydrogen, fuel cell, compressed natural gas, liquefied natural gas, liquefied petroleum gas, battery electric, or flex‑fuel school buses when the performance, quality, and anticipated life cycle costs are comparable to other available school buses.”

SECTION 6. Section 12‑6‑3377 of the 1976 Code is repealed.

SECTION 7. This act takes effect upon approval by the Governor.

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