**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE “SOUTH CAROLINA VOLUNTARY INFRASTRUCTURE FUNDING ACT” BY ADDING ARTICLE 4 TO CHAPTER 28, TITLE 12 SO AS TO IMPOSE AN ADDITIONAL USER FEE EQUAL TO TWENTY‑ONE CENTS A GALLON ON CERTAIN MOTOR FUELS, TO PROVIDE THAT THE REVENUE BE CREDITED TO THE STATE HIGHWAY FUND, AND TO PROVIDE EXEMPTIONS, INCLUDING A VOLUNTARY EXEMPTION FOR INDIVIDUAL RESIDENTS; AND BY ADDING SECTION 12‑6‑3765 SO AS TO ALLOW AN INDIVIDUAL TAXPAYER TO CLAIM AN INCOME TAX CREDIT EQUAL TO TEN PERCENT OF THE ADDITIONAL USER FEE PAID.

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

SECTION 1. This act may be cited as the “South Carolina Voluntary Infrastructure Funding Act”.

SECTION 2. Chapter 28, Title 12 of the 1976 Code is amended by adding:

“Article 4

Imposition of Additional User Fee

Section 12‑28‑410. In addition to the user fee imposed pursuant to Section 12‑28‑310, a user fee equal to twenty‑one cents a gallon is imposed on:

(1) all gasoline, gasohol, or blended fuels containing gasoline that are used or consumed for any purpose in this State; and

(2) all diesel fuel, substitute fuels, or alternative fuels, or blended fuels containing diesel fuel that are used or consumed in this State in producing or generating power for propelling motor vehicles.

Section 12‑28‑420. (A) All revenue collected pursuant to this article must be credited to the State Highway Fund, and only may be expended on transportation infrastructure repair and maintenance. The revenue collected pursuant to this article must not be used on new road construction projects.

(B) Once a transportation infrastructure project, funded by the user fee imposed by this article, is completed, the Department of Transportation (DOT) may offer ownership of the infrastructure to the county in which the project is located. If the local governing body of the county accepts the DOT’s offer, the DOT shall transfer ownership of the infrastructure and the county becomes responsible for maintaining the infrastructure. However, the county is not required to accept ownership of the transportation infrastructure.

Section 12‑28‑430. (A) Motor fuel exempt from the user fee imposed pursuant to Section 12‑28‑310 is also exempt from the user fee imposed by this article. Further, the provisions of Article 7 also apply to the additional user fee imposed pursuant to this article.

(B) A resident individual may elect to exempt himself from the additional user fee imposed by this article by providing proof of residency to the retailer. If the resident individual elects to exempt himself, the retailer must not collect the additional user fee.

Section 12‑28‑440. The retailer shall remit the additional user fee on its sales tax return. The department must amend the sales tax return so as to separate the additional user fee.

Section 12‑28‑450. The department may promulgate regulations necessary to implement the provisions of this article.”

SECTION 3. A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3765. A resident individual may claim an income tax credit for the additional user fee paid pursuant to Section 12‑28‑410. The credit equals ten percent of the amount of additional user fee paid for which the resident individual elected not to exempt himself. The department may require the proof it determines necessary to prove the amount of additional user fee paid.”

B. This section takes effect upon approval by the Governor and first applies to tax years beginning after 2014.

SECTION 4. Except where provided otherwise, this act takes effect July 1, 2015.

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