**A** **BILL**

TO AMEND SECTION 12‑6‑3376, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE INCOME TAX CREDIT FOR PLUG‑IN HYBRID VEHICLES, SO AS TO ADD A TAX CREDIT FOR PURE BATTERY ELECTRIC VEHICLES, TO EXTEND THE TIME THE TAX CREDIT IS ALLOWED, AND TO PROVIDE A DEFINITION.

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

SECTION 1. Section 12‑6‑3376 of the 1976 Code is amended to read:

“Section 12‑6‑3376. (A) For taxable years beginning in 2012 and before ~~2017~~ 2022, a taxpayer is allowed a tax credit against the income tax imposed pursuant to this chapter for the in‑state purchase or lease of a new plug‑in hybrid vehicle or a pure battery electric vehicle.

(B) As used in this section:

(1) A plug‑in hybrid vehicle is a vehicle that:

~~(1)~~(a) shares the same benefits as an internal combustion and electric engine with an all‑electric range of no less than nine miles;

~~(2)~~(b) has four or more wheels;

~~(3)~~(c) draws propulsion using a traction battery;

~~(4)~~(d) has at least four kilowatt hours of battery capacity; and

~~(5)~~(e) uses an external source of energy to recharge the battery.

(2) A pure battery electric vehicle is a vehicle that:

(a) is propelled by an electric motor which draws electricity from a battery which has a capacity of not less than four kilowatt hours;

(b) is capable of being recharged from an external source of electricity; and

(c) is 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.

(C) Qualified plug‑in hybrid vehicles and pure battery electric vehicles also must be manufactured primarily for use on public streets, roads, highways, and not be classified as low or medium speed vehicles. Low‑speed vehicles are vehicles capable of a speed of at least twenty but not more than twenty‑five miles per hour, is used primarily for short trips and recreational purposes, and has safety equipment such as lights, reflectors, mirrors, parking brake, windshield, and safety belts. Medium‑speed vehicles are vehicles capable of a speed of at least thirty but not more than forty‑six miles per hour and has safety equipment such as lights, reflectors, mirrors, parking brake, windshield, and safety belts.

(D) The credit is equal to six hundred sixty‑seven dollars, plus one hundred eleven dollars if the vehicle has at least five kilowatt hours of battery capacity, plus an additional one hundred eleven dollars for each kilowatt hour of battery capacity in excess of five kilowatt hours. The maximum credit allowed by this section is two thousand dollars. The credit allowed by this section is nonrefundable and if the amount of the credit exceeds the taxpayer’s liability for the applicable taxable year, any unused credit may be carried forward for five years.

~~(B)~~(E) To claim the credit allowed by this section, the taxpayer must provide the department with a certification from the vehicle manufacturer, or in the case of a foreign vehicle manufacturer, its domestic distributor, stating that the vehicle is a qualified plug‑in hybrid or pure battery electric vehicle as described in subsection ~~(A)~~(B), and the vehicle’s number of kilowatt hours of battery capacity.

~~(C)~~(F) Notwithstanding the credit amount allowed pursuant to this section, for a calendar year all claims made pursuant to this section must not exceed two hundred thousand dollars and must apply to eligible claimants on a first‑come, first‑served basis as determined by the Department of Revenue in a manner it prescribes until the total allowable credits for that calendar year are exhausted.”

SECTION 2. This act takes effect upon approval by the Governor and applies to in-state purchases and leases made on or after the first day of the calendar month beginning at least thirty days after the effective date of this act.

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