~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

May 31, 2016

**S. 626**

Introduced by Senators Gregory, Hayes and Reese

S. Printed 5/31/16--H. [SEC 6/1/16 3:11 PM]

Read the first time March 3, 2016.

**A** **BILL**

TO AMEND SECTION 12‑37‑220, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO PROPERTY TAX EXEMPTIONS, SO AS TO EXEMPT EIGHTY PERCENT OF THE FAIR MARKET VALUE OF A RENEWABLE ENERGY RESOURCE FOR A PERIOD OF TEN YEARS PROVIDED THE PROPERTY IS OPERATIONAL BY DECEMBER 31, 2020, AND TO EXEMPT A DISTRIBUTED RENEWABLE ENERGY GENERATION PROPERTY FOR RESIDENTIAL USE.

Amend Title To Conform

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

SECTION 1. Section 12‑37‑220(B) of the 1976 Code, as last amended by Act 259 of 2014, is further amended by adding items at the end to read:

“(52) eighty percent of the fair market value of a renewable energy generation property required to be returned, pursuant to Section 12‑37‑970, or to be appraised and assessed pursuant to Section 12‑4‑540. For purposes of this item, ‘renewable energy generation property’ means property that generates electric power by the use of a renewable energy resource, as defined in Section 58‑40‑10(F). This exemption only applies for the ten consecutive property tax years after the facility becomes operational, provided, however, that the property became operational after property tax year 2012 and before property tax year 2021. For property that became operational in property tax year 2013 or 2014, this exemption applies for ten consecutive property tax years beginning in property tax year 2016 so long as the property was not subject to a fee-in-lieu agreement as of December 31, 2014, pursuant to Chapter 44 of the title, or Chapter 12 or 29 of Title 4. For property that became operational in property tax year 2015, if the property was subject to a fee-in-lieu agreement as of December 31, 2015, pursuant to Chapter 44 of the title, or Chapter 12 or 29 of Title 4, then the property is eligible for the exemption so long as the taxpayer notifies the other parties to the agreement of such election no later than thirty days after the effective date of this item, and, upon the expiration of the exemption, at the taxpayer’s discretion, the provisions of the applicable pre‑existing agreement may apply. This exemption applies only if the property does not meet the exemption of distributed renewable energy generation property for residential use provided by item (53). A taxpayer claiming an exemption allowed by this item also may not claim the exemption, pursuant to Section 12‑37‑220(A)(7);

(53) distributed renewable energy generation property for residential use. For purposes of this item, ‘distributed renewable energy generation property’ means property that generates electric power by the use of a renewable energy resource, as defined in Section 58‑40‑10(F), that has a nameplate capacity of no greater than twenty kilowatts.”

SECTION 2. A. Section 12‑6‑3770(A) of the 1976 Code, as added by Act 134 of 2016, is amended to read:

“(A) A taxpayer who constructs, purchases, or leases solar energy property located on the Environmental Protection Agency’s National Priority List, National Priority List Equivalent Sites, or on a list of related removal actions, as certified by the Department of Health and Environmental Control, or on property owned by the Pinewood Site Custodial Trust located in the State of South Carolina, and places it in service in this State during the taxable year, is allowed an income tax credit equal to twenty‑five percent of the cost, including the cost of installation of the property. The credit is earned in the year in which the solar energy property is placed in service, but must be taken in five equal annual installments, beginning in the year in which the solar energy property is placed in service. Unused credit may be carried forward for five taxable years from the year in which the credit was able to be taken. A lessor shall give a taxpayer who leases solar energy property from him a statement that describes the solar energy property and states the cost of the property upon request. A credit is not allowed pursuant to this section to the extent the cost of the solar energy property is provided by public funds. For purposes of this section, ‘public funds’ does not include federal grants or tax credits.”

B. This SECTION takes effect in income tax years beginning after 2015, and shall apply and terminate in the same manner as provided in Section 1.B. of Act 134 of 2016.

SECTION 3. Except where provided otherwise, this act takes effect upon approval by the Governor.

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