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CONFERENCE COMMITTEE REPORT ADOPTED -- NOT PRINTED

June 27, 2018

**H. 4009**

Introduced by Reps. Lucas, Williams, Crawford, Alexander, McCoy, Hiott, Clemmons, Bales, Bedingfield, Ott, G.R. Smith, Herbkersman, Sandifer and S. Rivers

S. Printed 5/8/18--S

Read the first time April 9, 2018.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 69 TO TITLE 12 SO AS TO ENACT THE “MOTORSPORTS ENTERTAINMENT COMPLEX INVESTMENT ACT” BY EXEMPTING CERTAIN BUILDING MATERIALS FOR A COMPLEX FROM THE SALES TAX AND TO PROVIDE THE PROCESS BY WHICH A QUALIFIED COMPANY MAY CLAIM THE EXEMPTION.

Whereas, since 1950, with the inaugural running of the Southern 500, the first stock car race on a paved track, South Carolina has served as a cornerstone in the development of stock car racing, one of the fastest growing and most popular spectator sports in the country; and

Whereas, South Carolina lays claim to many of the legends of NASCAR racing, including Rex White, David Pearson, Bud Moore, James Hylton, Tiny Lund, and Cale Yarborough; and

Whereas, the State of South Carolina is rich in historical references to the sport of stock car racing, as evidenced by the Darlington Raceway Stock Car Museum and the National Motorsports Press Association Hall of Fame, in addition to dirt raceways across the State of South Carolina that served as home to the fledgling sport of NASCAR racing in the 1950s; and

Whereas, the NASCAR events in South Carolina focus our nation’s attention and the attention of the world upon our great State as a sport and tourism destination each year; and

Whereas, the annual economic impact that NASCAR racing has on South Carolina is in excess of fifty million dollars, as NASCAR fans from across the country and around the world visit the State each year to attend racing events and then vacation in communities throughout the Palmetto State. Now, therefore,,

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

SECTION 1. Title 12 of the 1976 Code is amended by adding:

“CHAPTER 69

Motorsports Entertainment Complex Investment

Section 12‑69‑10. This chapter may be cited as the ‘Motorsports Entertainment Complex Investment Act’.

Section 12‑69‑20. For purposes of this chapter:

(1) ‘Company’ means any corporation, partnership, limited liability company, or other business entity.

(2) ‘Department’ means the Department of Revenue.

(3) ‘Motorsports entertainment complex’ has the same meaning as provided in Section 12‑21‑2425.

Section 12‑69‑30. (A) A company, upon making application for, meeting the requirements of, and receiving written certification of that designation from the department, as provided in subsection (B), is exempt from state and local sales tax on building materials, supplies, fixtures, and equipment for the construction, repair, or improvement of or that become a part of a motorsports entertainment complex.

(B) A company shall become a qualified company by applying with the department. The director of the department shall approve the application so long as the application is accompanied by a practical plan to make a capital investment of at least ten million dollars on any motorsport entertainment complex in this State within the five‑year period immediately following the approval of the application. Upon receiving written certification from the department, a company may utilize the exemption specified in subsection (A).

(C) Once a company has met the requirements of subsection (B), the department shall issue a sales and use tax exemption certificate to the company as evidence of the exemption. The exemption is effective upon receipt and shall remain effective until December thirty‑first of the fifth full calendar year after its issuance. Once the exemption certificate is ineffective, the company must return the exemption certificate to the department and submit a report to the department of the actual expenditures made in South Carolina in connection with the investment. The company must designate a member or representative of the company to work with the department on reporting of the investment.

(D) A company that is approved and receives a sales and use tax exemption certificate but fails to meet the capital investment requirements within the five‑year period, is liable for the sales and use taxes that would have been paid had the approval not been granted in the same proportion as the actual capital investment failed to meet the required capital investment. The company must be given a sixty‑day period in which to pay the sales and use taxes without incurring penalties. The sales and use taxes are considered due as of the date the tangible personal property was purchased in or brought into South Carolina for use, storage, or consumption.”

SECTION 2. Except where specified otherwise, this act takes effect upon approval by the Governor and applies to tax years beginning after 2017.

/s/Sen. Gerald Malloy /s/Rep. James H. "Jay" Lucas

/s/Sen. Paul G. Campbell, Jr. /s/Rep. J. Gary Simrill

/s/Sen. Shane R. Martin /s/Rep. Robert Q. Williams

On Part of the Senate. On Part of the House.

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