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COMMITTEE AMENDMENT ADOPTED

April 20, 2017

**S. 446**

Introduced by Senators Leatherman, Setzler, Williams and Campbell

S. Printed 4/20/17--S. [SEC 4/21/17 12:34 PM]

Read the first time February 21, 2017.

**A** **BILL**

TO AMEND SECTION 12‑6‑3585, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE INDUSTRY PARTNERSHIP FUND TAX CREDIT, SO AS TO INCREASE THE AGGREGATE ANNUAL CREDIT AMOUNT.

Amend Title To Conform

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

SECTION 1. A. Section 12‑6‑3585(A), (E), and (F) of the 1976 Code are amended to read:

“(A) For each tax year beginning after 2016, a taxpayer may claim as a credit against state income tax imposed by Chapter 6, Title 12, bank tax imposed by Chapter 11, Title 12, license fees imposed by Chapter 20 of Title 12, or insurance premiums imposed by Chapter 7, Title 38, or any combination of them, one hundred percent of an amount contributed to the Industry Partnership Fund at the South Carolina Research Authority (SCRA), or an SCRA‑designated affiliate, or both, pursuant to Section 13‑17‑88(E), up to a maximum credit of ~~six hundred fifty thousand dollars for a single taxpayer, not to exceed an aggregate credit of two million dollars for all taxpayers in tax year 2006; up to a maximum credit of one million three hundred thousand dollars for a single taxpayer, not to exceed an aggregate credit of four million dollars for all taxpayers in tax year 2007; and up to a maximum credit of two million dollars for a single taxpayer, not to exceed an aggregate credit of six million dollars for all taxpayers for each tax year beginning after December 31, 2007~~ two hundred fifty thousand dollars for a single taxpayer, not to exceed an aggregate credit of twelve million dollars for all taxpayers. For purposes of determining a taxpayer’s entitlement to the credit for qualified contributions for a given tax year in which more than the applicable aggregate annual limit on the credit is contributed by taxpayers for that year, taxpayers who have made contributions that are intended to be qualified contributions earlier in the applicable tax year than other taxpayers must be given priority entitlement to the credit. The SCRA shall certify to taxpayers who express a bona fide intention of making one or more qualified contributions as to whether the taxpayer is entitled to that priority.

(E) ‘Taxpayer’ means an individual, corporation, partnership, trust, bank, insurance company, or other entity having a state income or insurance premium tax or license fee liability who has made a qualified contribution. However, for purposes of this section, any member of the SCRA board of trustees or the SC Launch!, Inc. board of directors is not considered a taxpayer, and may not claim the credit allowed by this section.

(F) To qualify for the credit, the taxpayer shall retain a form provided by SCRA identifying the taxpayer and the year and amount of credit for which the taxpayer qualifies. The Department of Revenue may require a copy of the form be attached to the taxpayer’s income tax return or be provided otherwise to the department. Also, to qualify for the credit, a taxpayer who is certified by SCRA under subsection (A) as having priority entitlement to the credit for an applicable year must make a commitment satisfactory to SCRA, at such time as SCRA may deem appropriate but not later than April 1st of such year, to make the contribution during such year.”

B. Notwithstanding the increase in the annual maximum credit amount for all taxpayers from six million dollars to twelve million dollars in Section 12‑6‑3585, as amended by this SECTION, the increased maximum credit amount shall be phased in in two equal and cumulative installment amounts beginning in tax years beginning after 2016.

SECTION 2. Section 12‑6‑3585 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“( ) By March fifteenth of each year, the South Carolina Research Authority shall issue a report to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor detailing the amount contributed to the Industry Partnership Fund in the previous tax year that entitled the taxpayer to the credit allowed by this section, the taxpayers that received the credit, and the manner in which such contributions were expended or are expected to be expended. The report also must be posted in a conspicuous place on the website maintained by the South Carolina Research Authority.”

SECTION 3. This act takes effect upon approval by the Governor and applies to tax years beginning after 2016, except that the Section 1 amendment to Section 12‑6‑3585 (F) and Section 2 shall not take effect until January 1, 2018.

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