COMMITTEE REPORT

February 7, 2018

**S. 916**

Introduced by Senator Cromer

S. Printed 2/7/18--S.

Read the first time January 23, 2018.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 916) to amend Section 48‑52‑870, Code of Laws of South Carolina, 1976, relating to the Energy Efficient Manufactured Homes Incentive Program, so as to extend the, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 48‑52‑870(A) of the 1976 Code, as added by Act 354 of 2008, is amended to read:

“(A) The Energy Efficient Manufactured Homes Incentive Program is established to provide financial incentives for the purchase and installation of energy efficient manufactured homes in South Carolina. Any person who purchases a manufactured home designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency’s energy saving efficiency requirements or which has been designated as meeting or exceeding such requirements under each agency’s ENERGY STAR program from a retail dealership licensed by the South Carolina Manufactured Housing Board for use in this State is eligible for a nonrefundable income tax credit equal to seven hundred fifty dollars. The credit may be claimed beginning July 1, 2009, and no later than July 1, ~~2019~~ 2024.”

SECTION 2. The first undesignated paragraph after the last item of Section 12-36-2110(B) of the 1976 Code is amended to read:

“However, a manufactured home is exempt from any tax in excess of three hundred dollars that may be due as a result of the calculation in item (4) if it meets these energy efficiency levels: storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of the insulation only of R‑11 for walls, R‑19 for floors, and R‑30 for ceilings. However, variations in the energy efficiency levels for walls, floors, and ceilings are allowed and the exemption on tax due above three hundred dollars applies if the total heat loss does not exceed that calculated using the levels of R‑11 for walls, R‑19 for floors, and R‑30 for ceilings. The edition of the American Society of Heating, Refrigerating, and Air Conditioning Engineers Guide in effect at the time is the source for heat loss calculation. Notwithstanding the provisions of this subsection, from July 1, 2009, to July 1, ~~2019~~ 2024, a manufactured home is exempt from any tax that may be due as a result of the calculation in this subsection if it has been designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency’s energy saving efficiency requirements or has been designated as meeting or exceeding such requirements under each agency’s ENERGY STAR program. The dealer selling the manufactured home must maintain records, on forms provided by the State Energy Office, on each manufactured home sold that meets the energy efficiency levels provided for in this subsection. These records must be maintained for three years and must be made available for inspection upon request of the Department of Consumer Affairs or the State Energy Office.”

SECTION 3. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 23, 2018**

**State Expenditure**

This bill extends the Energy Efficient Manufactured Homes Incentive Program tax credit for an additional ten years. The program provides an income tax credit of $750 for any person who purchases a qualifying manufactured home. In order to qualify, the home must meet either the energy saving efficiency requirements set by the U.S. Environmental Protection Agency and the U.S. Department of Energy, or ENERGY STAR requirements. The home also must be purchased from a retail dealership licensed by the S.C. Manufactured Housing Board for use in this state. The tax credit is set to expire July 1, 2019, and the bill extends the credit to July 1, 2029. Since this is an extension of an existing tax credit, the bill is not expected to impact expenditures for the Department of Revenue for administration of the credit.

**State Reve**n**ue**

This bill extends the Energy Efficient Manufactured Homes Incentive Program tax credit currently set to expire July 1, 2019, until July 1, 2029. The program provides a non-refundable income tax credit of $750 for any person who purchases a qualifying manufactured home.

Based upon tax year 2014, 2015, and 2016 individual income tax returns, an average of 48 taxpayers claim this tax credit for a total of $34,000 annually. Therefore, we estimate that the bill will reduce general fund individual income tax revenue by approximately $34,000 a year beginning in FY 2019-20 until FY 2028-29.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 48‑52‑870, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE ENERGY EFFICIENT MANUFACTURED HOMES INCENTIVE PROGRAM, SO AS TO EXTEND THE PROGRAM TEN ADDITIONAL YEARS.

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

SECTION 1. Section 48‑52‑870(A) of the 1976 Code, as added by Act 354 of 2008, is amended to read:

“(A) The Energy Efficient Manufactured Homes Incentive Program is established to provide financial incentives for the purchase and installation of energy efficient manufactured homes in South Carolina. Any person who purchases a manufactured home designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency’s energy saving efficiency requirements or which has been designated as meeting or exceeding such requirements under each agency’s ENERGY STAR program from a retail dealership licensed by the South Carolina Manufactured Housing Board for use in this State is eligible for a nonrefundable income tax credit equal to seven hundred fifty dollars. The credit may be claimed beginning July 1, 2009, and no later than July 1, ~~2019~~ 2029.”

SECTION 2. This act takes effect upon approval by the Governor.

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