**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3810 SO AS TO PROVIDE FOR TAX CREDITS FOR CERTAIN TAXPAYERS THAT MAKE A QUALIFYING CAPITAL INVESTMENT IN THIS STATE, TO SET FORTH THE AMOUNT OF THE CREDITS AND THE MANNER IN WHICH THE CREDITS ARE CALCULATED, AND TO PROVIDE THE CREDIT ONLY MAY BE TAKEN IF CERTAIN OTHER CREDITS ARE NOT TAKEN.

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

SECTION 1. Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3810. (A)(1) A taxpayer that makes a qualifying capital investment in this State is allowed an income tax credit equal to twenty percent of any state income tax generated by the qualifying capital investment. State income tax revenue must be determined based on withholdings of the employees of the taxpayer.

(2) If the income tax credit exceeds the taxpayer’s liability for the taxable year, the excess may be carried forward for the next ten succeeding tax years.

(B) In addition to the income tax credit allowed pursuant to subsection (A), the taxpayer may claim a sales tax credit equal to twenty percent of the state or local sales tax revenue generated by the qualifying capital investment. State or local sales tax revenue must be determined based on the amount of sales tax collected and remitted to the Department of Revenue by the taxpayer. Subject to subsection (C), the sales tax credit may be claimed on each month’s sales tax return based on the applicable sales reported on the same return.

(C)(1) The credits allowed by this section may be claimed beginning in year two after the qualifying capital investment is made or year two after the facility is placed in service or is otherwise operational, whichever comes last. The credits only may be claimed for five years.

(2) The credits allowed by this section only may be claimed if the taxpayer does not claim or receive any other income tax credit allowed by this chapter for the jobs associated with the qualifying capital investment.

(D) As used in this section, ‘qualifying capital investment’ means an expenditure in an aggregate amount of two hundred fifty thousand dollars or more to acquire, lease, or improve real and business personal property that is used in operating a business location which holds a State of South Carolina retail sales tax license. However, it does not include relocating an existing business in this State to another location in this State without the required additional capital investment.”

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

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