**A** **BILL**

TO AMEND SECTION 12-6-3587(A) OF THE 1976 CODE, RELATING TO THE PURCHASE AND INSTALLATION OF A SOLAR ENERGY SYSTEM FOR HEATING WATER, SPACE HEATING, AIR COOLING, OR GENERATING ELECTRICITY, TO PROVIDE THAT THE TAX CREDIT FOR THE PURCHASE AND INSTALLATION OF SUCH ITEMS IS A REFUNDABLE CREDIT.

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

SECTION 1. Section 12-6-3587(A) of the 1976 Code is amended to read:

“Section 12-6-3587. (A) There is allowed as a refundable tax credit against the income tax liability of a taxpayer imposed by this chapter an amount equal to twenty‑five percent of the costs incurred by the taxpayer in the purchase and installation of a solar energy system, small hydropower system, or geothermal machinery and equipment for heating water, space heating, air cooling, energy‑efficient daylighting, heat reclamation, energy‑efficient demand response, or the generation of electricity in or on a facility in South Carolina and owned by the taxpayer. The tax credit allowed by this section must not be claimed before the completion of the installation. The amount of the credit in any year may not exceed three thousand five hundred dollars for each facility or fifty percent of the taxpayer's tax liability for that taxable year, whichever is less. If the amount of the credit exceeds three thousand five hundred dollars for each facility, the taxpayer may carry forward the excess for up to ten years.”

SECTION 2. This act takes effect upon approval by the Governor and is effective for tax years beginning after 2016.

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