**South Carolina General Assembly**

125th Session, 2023-2024

**A169, R197, S1021**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Davis, Matthews and Campsen

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Introduced in the Senate on February 6, 2024

Introduced in the House on March 21, 2024

Last Amended on May 9, 2024

Currently residing in the Senate

Governor's Action: May 20, 2024, Signed

Summary: Abandoned buildings tax credit

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 2/6/2024 Senate Introduced and read first time (Senate Journal‑page 4)

 2/6/2024 Senate Referred to Committee on **Finance** (Senate Journal‑page 4)

 2/28/2024 Senate Committee report: Favorable **Finance** (Senate Journal‑page 15)

 3/1/2024 Scrivener's error corrected

 3/19/2024 Senate Read second time (Senate Journal‑page 17)

 3/19/2024 Senate Roll call Ayes-42 Nays-0 (Senate Journal‑page 17)

 3/20/2024 Senate Read third time and sent to House (Senate Journal‑page 11)

 3/21/2024 House Introduced and read first time (House Journal‑page 19)

 3/21/2024 House Referred to Committee on **Ways and Means** (House Journal‑page 19)

 4/25/2024 House Committee report: Favorable with amendment **Ways and Means** (House Journal‑page 19)

 4/30/2024 Scrivener's error corrected

 5/2/2024 House Debate adjourned until Tues., 5-7-24 (House Journal‑page 20)

 5/7/2024 House Requests for debate-Rep(s). Hiott, B Newton, Carter, Guffey, Sessions, Harris, Magnuson, Guest, West, Chapman, Gagnon, Beach, Cromer, Gilliam, White, Chumley, Long (House Journal‑page 103)

 5/7/2024 House Debate adjourned (House Journal‑page 199)

 5/8/2024 House Amended (House Journal‑page 228)

 5/8/2024 House Read second time (House Journal‑page 228)

 5/8/2024 House Roll call Yeas-98 Nays-8 (House Journal‑page 232)

 5/9/2024 House Read third time and returned to Senate with amendments (House Journal‑page 84)

 5/9/2024 Senate House amendment amended (Senate Journal‑page 33)

 5/9/2024 Senate Roll call Ayes-44 Nays-0 (Senate Journal‑page 33)

 5/9/2024 Senate Returned to House with amendments (Senate Journal‑page 33)

 5/9/2024 House Concurred in Senate amendment and enrolled (House Journal‑page 118)

 5/9/2024 House Roll call Yeas-104 Nays-0 (House Journal‑page 119)

 5/13/2024 Scrivener's error corrected

 5/15/2024 Ratified R 197

 5/20/2024 Signed By Governor

 5/29/2024 Effective date 05/20/24

 5/29/2024 Act No. 169

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**VERSIONS OF THIS BILL**

[02/06/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240206.docx)

[02/28/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240228.docx)

[03/01/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240301.docx)

[04/25/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240425.docx)

[04/30/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240430.docx)

[05/08/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240508.docx)

[05/09/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240509.docx)

[05/13/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240513.docx)

(A169, R197, S1021)

AN ACT TO EXTEND THE PROVISIONS OF THE SOUTH CAROLINA ABANDONED BUILDINGS REVITALIZATION ACT TO 2035; TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑67‑140, RELATING TO THE ABANDONED BUILDINGS TAX CREDIT, SO AS TO INCREASE THE AMOUNT OF THE MAXIMUM TAX CREDIT THAT MAY BE EARNED; AND BY ADDING SECTION 12‑6‑3810 SO AS TO PROVIDE FOR AN INCOME TAX CREDIT EQUAL TO FIFTY PERCENT OF AN ELIGIBLE TAXPAYER'S QUALIFIED RAILROAD RECONSTRUCTION OR REPLACEMENT EXPENDITURES, AND TO PROVIDE FOR THE ADMINISTRATION OF THE TAX CREDIT.

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

Extension of Abandoned Buildings Revitalization Act

SECTION 1. Notwithstanding SECTION 1.B. of Act 57 of 2013, the provisions of Chapter 67, Title 12 of the South Carolina Code are repealed on December 31, 2035.

Maximum abandoned buildings credit

SECTION 2. Section 12‑67‑140(B)(3)(b) of the S.C. Code is amended to read:

 (b) The entire credit earned pursuant to this subsection may not exceed seven hundred thousand dollars for any taxpayer in a tax year for each abandoned building site. The limitation provided in this subitem applies to each unit or parcel deemed to be an abandoned building site.

Short line railroad credits

SECTION 3. A. Article 25, Chapter 6, Title 12 of the S.C. Code is amended by adding:

 Section 12‑6‑3810. (A) As used in this section:

 (1) “Department” means the South Carolina Department of Commerce.

 (2) “Eligible taxpayer” means any railroad owner located in this State that is classified by the United States Surface Transportation Board as a Class II or Class III railroad.

 (3) “Qualified railroad reconstruction or replacement expenditures” means gross expenditures for maintenance, reconstruction, or replacement of railroad infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track‑related structures owned or leased by a Class II or Class III railroad located in this State.

 (B)(1) There is allowed a credit against the tax imposed pursuant to Section 12‑6‑510, 12‑6‑530, 12‑11‑20, or 38‑7‑20 equal to fifty percent of an eligible taxpayer’s qualified railroad reconstruction or replacement expenditures.

 (2) For qualified railroad reconstruction or replacement expenditures the amount of the credit may not exceed five thousand dollars multiplied by the number of miles of railroad track owned or leased within this State by the eligible taxpayer as of the close of the taxable year or one million five hundred thousand dollars in any taxable year, whichever is lesser.

 (C)(1) Following the completion of qualified railroad reconstruction or replacement expenditures, the eligible taxpayer shall submit to the Department of Commerce a verification of qualified expenditures on a form provided for that purpose by the Department of Commerce. The verification must include a statement certifying:

 (a) the status of the owner or lessee of the railroad as an eligible taxpayer;

 (b) certification of the miles of railroad track owned or leased in this State;

 (c) the qualified railroad reconstruction or replacement work completed; and

 (d) a description of the amount of qualified railroad reconstruction or replacement expenditures paid or incurred.

 Within thirty days after receipt and approval of the foregoing documentation from the eligible taxpayer, the department shall issue a tax credit certificate in an amount equivalent to the amount of the qualified railroad reconstruction or replacement expenditures incurred by the eligible taxpayer, not to exceed the amount of the tax credits reserved for the project.

 (2) At the end of each year, the department shall furnish to the Department of Revenue a list of all eligible taxpayers who have qualified for the credit along with the amount of the credit authorized.

 (3) Section 12‑54‑240 may not apply to any information exchanged between the Department of Commerce and the Department of Revenue relating to the credit allowed pursuant to this section.

 (D) The department may adopt rules to implement and administer this section and to enable the certification of the income tax credit amount earned by each eligible taxpayer.

 (E) In order to obtain a credit against any state income tax due, an eligible taxpayer shall file the tax credit certificate with the taxpayer’s South Carolina state income tax return.

 (F) Any tax credit generated pursuant to the provisions of this section, to the extent not used, may be carried forward for each of the five years following the year of qualification.

 (G) The department shall report to the Senate Finance Committee and the House Ways and Means Committee by July 1, 2026, and annually thereafter for the duration of the existence of this program, on the use of the credit, including the number of tax credits applied for and the number of tax credits granted from the qualified railroad reconstruction or replacement expenditures for which tax credits have been allowed.

 (H) A member of a railroad construction limited liability company must refrain from competing with the company in the conduct of the company’s business before the dissolution of the company. This section does not apply when the member becomes a member of another limited liability company, and that company does not have an enforceable noncompete provision in its operating agreement.

B. This SECTION takes effect upon approval by the Governor and first applies to income tax years beginning after December 31, 2023. The provisions of this act are repealed on December 31, 2028, except that if the credit allowed by Section 12‑6‑3810, as added by this act, is earned before the repeal, then the provisions of Section 12‑6‑3810 continue to apply until the credits have been fully claimed.

Time effective

SECTION 4. This act takes effect upon approval by the Governor.

Ratified the 15th day of May, 2024.

Approved the 20th day of May, 2024.

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