



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 3967 Introduced on February 12, 2025
Subject: Bioenergy; Forest Products
Requestor: Senate Medical Affairs
RFA Analyst(s): Daigle
Impact Date: December 10, 2025

Fiscal Impact Summary

This bill defines biomass and bioenergy. This bill states that bioenergy produced from both biomass and agricultural harvesting is considered renewable and carbon neutral. Additionally, when bioenergy produced from either biomass or agricultural harvesting is paired with carbon capture and storage, the bioenergy is considered carbon negative.

The Forestry Commission, the Department of Agriculture, the Department of Environmental Services (DES), and the Office of Regulatory Staff (ORS) all anticipate this bill will have no expenditure impact. Each agency indicates that this bill will have no fiscal or operational impact on the respective departments.

Based on information provided by the Department of Revenue (DOR), the Department of Agriculture, the Department of Commerce, DES, the Forestry Commission, and ORS, this bill will have no impact on state revenue as there are no applicable state tax credits available for renewable and/or carbon neutral energy. In addition, DES indicates that this bill will have no impact on existing environmental permitting requirements.

Explanation of Fiscal Impact

Introduced on February 12, 2025

State Expenditure

This bill defines biomass and bioenergy. This bill states that bioenergy produced from both biomass and agricultural harvesting is considered renewable and carbon neutral. Additionally, when bioenergy produced from either biomass or agricultural harvesting is paired with carbon capture and storage, the bioenergy is considered carbon negative.

The Forestry Commission, the Department of Agriculture, DES, and ORS all anticipate this bill will have no expenditure impact. Each agency indicates that this bill will have no fiscal or operational impact on the respective departments. For information, the Forestry Commission notes this bill will allow energy generated from biomass to be treated as equivalent to other renewable energy sources for the purposes of incentive programs or regulatory developments that may be implemented in the future.

State Revenue

This bill defines bioenergy from both biomass and from agricultural harvesting as renewable and carbon neutral. We contacted DOR, the Department of Agriculture, the Department of Commerce, DES, the Forestry Commission, and ORS to ascertain the impact of this bill. Based on responses received from these agencies, we anticipate this bill will have no revenue impact as there are no applicable state tax credits available for renewable and/or carbon neutral energy. In addition, DES indicates that this bill will have no impact on existing environmental permitting requirements.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director