**South Carolina General Assembly**

123rd Session, 2019-2020

**A15, R24, H3595**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Elliott, G.M. Smith, Simrill, Stavrinakis, Loftis, Clemmons, Erickson, West, Bannister and Forrest

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Introduced in the House on January 15, 2019

Introduced in the Senate on February 7, 2019

Last Amended on March 14, 2019

Passed by the General Assembly on March 21, 2019

Governor's Action: March 28, 2019, Signed

Summary: Industry Partnership Fund tax credit

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

1/15/2019 House Introduced and read first time ([House Journal‑page 79](file:///h:\hj\20190115.docx))

1/15/2019 House Referred to Committee on **Ways and Means** ([House Journal‑page 79](file:///h:\hj\20190115.docx))

1/16/2019 House Member(s) request name added as sponsor: Loftis, Clemmons

1/29/2019 House Member(s) request name added as sponsor: Erickson

1/30/2019 House Committee report: Favorable with amendment **Ways and Means** ([House Journal‑page 19](file:///h:\hj\20190130.docx))

2/5/2019 House Member(s) request name added as sponsor: West, Bannister, Forrest

2/6/2019 House Amended ([House Journal‑page 55](file:///h:\hj\20190206.docx))

2/6/2019 House Read second time ([House Journal‑page 55](file:///h:\hj\20190206.docx))

2/6/2019 House Roll call Yeas‑102 Nays‑6 ([House Journal‑page 55](file:///h:\hj\20190206.docx))

2/7/2019 House Read third time and sent to Senate ([House Journal‑page 9](file:///h:\hj\20190207.docx))

2/7/2019 Scrivener's error corrected

2/7/2019 Senate Introduced and read first time ([Senate Journal‑page 8](file:///h:\sj\20190207.docx))

2/7/2019 Senate Referred to Committee on **Finance** ([Senate Journal‑page 8](file:///h:\sj\20190207.docx))

3/12/2019 Senate Committee report: Favorable with amendment **Finance** ([Senate Journal‑page 48](file:///h:\sj\20190312.docx))

3/14/2019 Senate Committee Amendment Adopted ([Senate Journal‑page 29](file:///h:\sj\20190314.docx))

3/14/2019 Senate Read second time ([Senate Journal‑page 29](file:///h:\sj\20190314.docx))

3/14/2019 Senate Roll call Ayes‑37 Nays‑2 ([Senate Journal‑page 29](file:///h:\sj\20190314.docx))

3/20/2019 Senate Read third time and returned to House with amendments ([Senate Journal‑page 17](file:///h:\sj\20190320.docx))

3/21/2019 House Concurred in Senate amendment and enrolled ([House Journal‑page 32](file:///h:\hj\20190321.docx))

3/21/2019 House Roll call Yeas‑107 Nays‑1 ([House Journal‑page 32](file:///h:\hj\20190321.docx))

3/27/2019 Ratified R 24

3/28/2019 Signed By Governor

4/2/2019 Effective date 03/28/19

4/8/2019 Act No.  15

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**VERSIONS OF THIS BILL**

[1/15/2019](file:///p:\pprever\2019-20\3595_20190115.docx)

[1/30/2019](file:///\\lsa-fs1\Common_spc\pprever\2019-20\3595_20190130.docx)

[2/6/2019](file:///p:\pprever\2019-20\3595_20190206.docx)

[2/7/2019](file:///p:\pprever\2019-20\3595_20190207.docx)

[3/12/2019](file:///p:\pprever\2019-20\3595_20190312.docx)

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(A15, R24, H3595)

**AN ACT TO AMEND SECTION 12‑6‑3585, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE INDUSTRY PARTNERSHIP FUND TAX CREDIT, SO AS TO INCREASE THE AGGREGATE ANNUAL CREDIT AMOUNT, SET CERTAIN QUALIFICATIONS, AND TO REQUIRE THE SOUTH CAROLINA RESEARCH AUTHORITY TO ISSUE AN ANNUAL REPORT.**

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

**Aggregate credit limit for Industry Partnership Fund**

SECTION 1. A. Section 12‑6‑3585(A), (E), and (F) of the 1976 Code is amended to read:

“(A) For each tax year beginning after 2018, a taxpayer may claim as a credit against state income tax imposed by Chapter 6, Title 12, bank tax imposed by Chapter 11, Title 12, license fees imposed by Chapter 20, Title 12, or insurance premiums imposed by Chapter 7, Title 38, or any combination of them, one hundred percent of an amount contributed to the Industry Partnership Fund at the South Carolina Research Authority (SCRA), or an SCRA‑designated affiliate, or both, pursuant to Section 13‑17‑88(E), up to a maximum credit of two hundred fifty thousand dollars for a single taxpayer, not to exceed an aggregate credit of nine million dollars for all taxpayers. For purposes of determining a taxpayer’s entitlement to the credit for qualified contributions for a given tax year in which more than the applicable aggregate annual limit on the credit is contributed by taxpayers for that year, taxpayers who have made contributions that are intended to be qualified contributions earlier in the applicable tax year than other taxpayers must be given priority entitlement to the credit. The SCRA shall certify to taxpayers who express a bona fide intention of making one or more qualified contributions as to whether the taxpayer is entitled to that priority.

(E) ‘Taxpayer’ means an individual, corporation, partnership, trust, bank, insurance company, or other entity having a state income or insurance premium tax or license fee liability who has made a qualified contribution. However, for purposes of this section, any member of the SCRA board of trustees or the SC Launch!, Inc. board of directors is not considered a taxpayer, and may not claim the credit allowed by this section.

(F) To qualify for the credit, the taxpayer shall retain a form provided by SCRA identifying the taxpayer and the year and amount of credit for which the taxpayer qualifies. The Department of Revenue may require a copy of the form be attached to the taxpayer’s income tax return or be provided otherwise to the department. Also, to qualify for the credit, a taxpayer who is certified by SCRA under subsection (A) as having priority entitlement to the credit for an applicable year must make a commitment satisfactory to SCRA, at such time as SCRA may deem appropriate, but no later than April first of such year, to make the contribution during such year.”

B. Notwithstanding the increase in the annual maximum credit amount for all taxpayers from six million dollars to nine million dollars in Section 12‑6‑3585, as amended by this SECTION, the increased maximum credit amount shall be phased in in three equal and cumulative installment amounts beginning in tax years beginning after 2018.

**Industry Partnership Fund report**

SECTION 2. Section 12‑6‑3585 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“( )(1) By March fifteenth of each year, the South Carolina Research Authority shall issue a report to the Chairman of the Senate Finance Committee, the Chairman of the House of Representatives Ways and Means Committee, and the Governor detailing the amount contributed to the Industry Partnership Fund in the previous tax year that entitled the taxpayer to the credit allowed by this section, the taxpayers that received the credit, and the manner in which such contributions were expended or are expected to be expended.

(2) The report shall also include, by county, the number of taxpayers who express a bona fide intention to contribute to the Industry Partnership Fund, the number of taxpayers whom the SCRA certified as entitled to receive the Industry Partnership Fund tax credit, and the amount of Industry Partnership Fund contributions that received such certification from SCRA.

(3) The report also must be posted in a conspicuous place on the website maintained by the South Carolina Research Authority.”

**Time effective**

SECTION 3. This act takes effect upon approval by the Governor and applies to tax years beginning after 2018, except that the Section 1 amendment to Section 12‑6‑3585(F) and Section 2 shall not take effect until January 1, 2020.

Ratified the 27th day of March, 2019.

Approved the 28th day of March, 2019.

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