**South Carolina General Assembly**

119th Session, 2011-2012

**S. 1455**

**STATUS INFORMATION**

General Bill

Sponsors: Senator O'Dell

Document Path: l:\council\bills\nbd\12345dg12.docx

Introduced in the Senate on April 18, 2012

Currently residing in the Senate Committee on **Finance**

Summary: Income tax credit, hybrid vehicles

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

4/18/2012 Senate Introduced and read first time ([Senate Journal‑page 5](file:///h:\sj%20archive\2012\04-18-12.docx))

4/18/2012 Senate Referred to Committee on **Finance** ([Senate Journal‑page 5](file:///h:\sj%20archive\2012\04-18-12.docx))

**VERSIONS OF THIS BILL**

[4/18/2012](file:///p:\pprever\2011-12\1455_20120418.docx)

**A** **BILL**

TO AMEND SECTION 12‑6‑3377, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TAX CREDITS FOR CERTAIN VEHICLES, SO AS TO DISALLOW THE CREDIT TO CERTAIN VEHICLES AND TO PROVIDE THAT THE CREDIT EXPIRES WHEN THE SIMILAR FEDERAL CREDIT EXPIRES; AND BY ADDING SECTION 12‑6‑3378 SO AS TO PROVIDE A ONE THOUSAND DOLLAR TAX CREDIT FOR THE IN‑STATE PURCHASE OR LEASE OF A NEW QUALIFIED HYBRID ELECTRIC VEHICLE OR NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHICLE, AND TO PROVIDE THE PROCESS BY WHICH THE CREDIT MAY BE CLAIMED.

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

SECTION 1. Section 12‑6‑3377 of the 1976 Code, as added by Act 312 of 2006, is amended to read:

“Section 12‑6‑3377. (A) A South Carolina resident taxpayer who is eligible for and claims the new qualified fuel cell motor vehicle credit~~, the new advanced lean burn technology motor vehicle credit, the new qualified hybrid motor vehicle credit based on the combined city/highway metric or standard set by~~ in federal Internal Revenue Code Section 30B, ~~and the new qualified alternative fuel motor vehicle credit allowed pursuant to Internal Revenue Code Section 30B~~ is allowed a credit against the income taxes imposed pursuant to this chapter in an amount equal to twenty percent of that federal income tax credit. The credit allowed by this section is nonrefundable and if the amount of the credit exceeds the taxpayer’s liability for the applicable taxable year, any unused credit may be carried forward and claimed in the five succeeding taxable years.

(B) The credit amount allowed by this section must be calculated without regard to the phaseout period limits of Internal Revenue Code Section 30B(f) ~~and for purposes of the credits allowed pursuant to this section, the provisions of Internal Revenue Code Section 30B are deemed permanent law~~. The credit allowed by this section expires when the federal credit expires.”

SECTION 2. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3378. (A) For taxable years beginning after December 31, 2011, a South Carolina resident taxpayer is allowed a nonrefundable tax credit against the income tax imposed pursuant to this chapter for the in‑state purchase or lease of a new qualified hybrid electric vehicle or new qualified alternative fuel motor vehicle. In order to qualify for the credit, the original use of the vehicle must commence with the taxpayer and the vehicle must be acquired for use or lease by the taxpayer and not for resale.

(B) A qualified hybrid electric vehicle is a vehicle that:

(1) is a light duty vehicle listed in the hybrid electric vehicle section of the most recent edition of the United States Department of Energy Clean Cities Vehicle Buyer’s Guide or is a heavy duty vehicle with an onboard hybrid propulsion system listed in the hybrid propulsion system manufacturers section of the U.S. Department of Energy Clean Cities Guide to Alternative Fuel and Advanced Medium and Heavy Duty Vehicles;

(2) draws propulsion energy from onboard sources of stored energy which are both (i) an internal combustion or heat engine using consumable fuel, and (ii) a rechargeable energy storage system; and

(3) does not have an external electrical plug connector that directly charges a battery or energy storage system.

(C) A qualified alternative fuel vehicle is a vehicle that:

(1) operates on compressed natural gas, liquefied natural gas, liquefied petroleum gas or hydrogen; and

(2) is procured as an alternative fuel motor vehicle from an original equipment manufacturer or is converted to operate on a qualified alternative fuel by a third party vendor who possesses a current and legal Certificate of Conformity from the Environmental Protection Agency’s Office of Transportation and Air Quality specific to the qualified alternative fuel vehicle.

(D) The credit allowed by this section is equal to one thousand dollars, except that the credit for an eligible vehicle conversion equals ten percent of the cost of the conversion or one thousand dollars, whichever is less. The credit allowed by this section may be carried forward for five years.

(E) Notwithstanding any other provision of this section, in order to qualify for the credit, the taxpayer must submit an application for the credit to the South Carolina Energy Office no later than the January thirty‑first immediately following the tax year in which the vehicle is purchased or leased. If the application is submitted prior to November first of the tax year in which the vehicle is purchase or leased, the State Energy Office shall notify the taxpayer whether the vehicle qualifies before the end of the tax year. If the application is submitted after November first of the tax year in which the vehicle is purchase or leased, the State Energy Office shall notify the taxpayer whether the vehicle qualifies by March first of the next year. A taxpayer may claim the credit for the taxable year in which the vehicle is purchased or leased.

(F) A taxpayer cannot claim this credit and the credit under Section 12‑6‑3377 for the same vehicle.

(G) The credit allowed by this section is not allowed for purchases or conversions made after December 31, 2016.”

SECTION 3. This act takes effect upon approval by the Governor.

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