**A** **BILL**

TO AMEND SECTION 12‑36‑2120, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM THE STATE SALES TAX, SO AS TO EXEMPT NATURAL GAS SOLD TO A PERSON WITH A MISCELLANEOUS FUEL USER FEE LICENSE WHO WILL PRODUCE COMPRESSED NATURAL GAS OR LIQUEFIED NATURAL GAS FOR USE AS MOTOR FUEL IN THEIR OWN MOTOR VEHICLES AND REMIT THE APPLICABLE MOTOR FUEL USER FEES.

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

SECTION 1. Section 12‑36‑2120(15) of the 1976 Code is amended to read:

“(15)(a) motor fuel, blended fuel, and alternative fuel subject to tax under Chapter 28, Title 12; however, gasoline used in aircraft is not exempt from the sales and use tax;

(b) if the fuel tax is subsequently refunded under Section 12‑28‑710, the sales or use tax is due unless otherwise exempt, and the person receiving the refund is liable for the sales or use tax;

(c) fuels used in farm machinery and farm tractors; ~~and~~

(d) fuels used in commercial fishing vessels; and

(e) natural gas sold to a person with a miscellaneous fuel user fee license pursuant to Section 12‑28‑1139, who will compress it to produce compressed natural gas or cool it to produce liquefied natural gas, for use a motor fuel in their own motor vehicles and remit the motor fuel user fees as required by law;”

SECTION 2. This act takes effect July 1, 2016.

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