

(Text matches printed bills. Document has been reformatted to meet World Wide Web specifications.)

~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

April 4, 2019

H. 3778

Introduced by Reps. Lucas, G.M. Smith, Sandifer, Simrill, Murphy, Weeks, Pope, McCoy, Hayes, Clary, Stringer, Bannister, Elliott, B. Cox, Morgan, W. Cox, Stavrinakis, Cobb-Hunter and Fry

S. Printed 4/4/19--H.

Read the first time January 29, 2019.

A BILL

TO AMEND SECTION 12-6-3375, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE TAX CREDIT FOR A PORT CARGO VOLUME INCREASE, SO AS TO INCREASE THE MAXIMUM AMOUNT OF THE AVAILABLE TAX CREDITS FOR PORT CARGO VOLUME INCREASES, AND TO PROVIDE FOR A PORT TRANSPORTATION CREDIT FOR THE COSTS OF TRANSPORTING FREIGHT, GOODS, AND MATERIALS FROM QUALIFYING FACILITIES LOCATED IN CERTAIN COUNTIES IN SOUTH CAROLINA TO A SOUTH CAROLINA PORT FACILITY; AND BY ADDING SECTION 12-36-2140 SO AS TO PROVIDE THAT A PORT FACILITY IS A DISTRIBUTION FACILITY FOR PURPOSES OF CERTAIN SALES TAX EXEMPTIONS.

Amend Title To Conform

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

SECTION 1. Section 12-6-3375(A) and (D) of the 1976 Code is amended to read:

"(A)(1) A taxpayer engaged in any of the following: manufacturing, warehousing, freight forwarding, freight handling, goods processing, cross docking, transloading, wholesaling of goods, or distribution, exported or imported through port facilities in South Carolina and which increases its port cargo volume at these facilities by a minimum of five percent in a single calendar year over its base year port cargo volume is eligible to claim an income tax credit or a credit against employee withholding in the amount determined by the Coordinating Council for Economic Development (council).

(2) The maximum amount of tax credits allowed to all qualifying taxpayers pursuant to this section may not exceed ~~eight~~ fifteen million dollars for each calendar year. The credits may be claimed against the taxes imposed pursuant to Sections 12-6-530 and 12-6-545 and against employee withholdings. The council has sole discretion in allocating the credits provided by this section and must consider the following factors:

- (a) the amount of base year port cargo volume;
- (b) the total and percentage increase in port cargo volume; and
- (c) factors related to the economic benefit of the State or other factors.

(D) The council annually may award up to one million dollars of the ~~eight~~ fifteen million dollars of credits against employee withholdings that are not otherwise refundable pursuant to this title to a new warehouse or distribution facility which commits to expending at least forty million dollars at a single site and creating one hundred new full-time jobs, and the base year cargo ~~shall~~ may not be less than five thousand TEUs or its non-containerized equivalent. The council may make the award in the year the facility is announced provided that it may not tender the certificate until it has received satisfactory proof that the capital investment and job creation requirements have, or will be, satisfied. Any credit certificate expires three years after issuance if satisfactory proof has not been received. If the credit exceeds the taxpayer's withholding tax liability for the taxable quarter that is not otherwise refundable pursuant to this title, the excess amount may be carried forward and claimed against withholding liability that is not otherwise refundable pursuant to this title in the next twenty succeeding taxable quarters."

SECTION 2. Section 12-6-3375 of the 1976 Code is amended by adding an appropriately lettered subsection at the end to read:

"()(1) A taxpayer engaged in any of the businesses identified in subsection (A)(1) at a facility located in this State is eligible to claim a port transportation credit or a port

volume cargo credit in the form of an income tax credit or a credit against employee withholding in an amount determined by the council in its sole discretion, except that the port transportation credit must be based on the taxpayer's transportation costs. A taxpayer may not claim both the port transportation credit and the port volume cargo credit in the same tax year.

(2) For purposes of this subsection, 'transportation costs' means the costs of transporting freight, goods, and materials to and from port facilities in South Carolina.

(3) The maximum amount of port transportation credits allowed to all qualifying taxpayers pursuant to this subsection is limited to the following amounts of the fifteen million dollars of credits available under this section:

(a) one million dollars for the calendar year ending December 31, 2019;

(b) two million dollars for the calendar year ending December 31, 2020; and

(c) three million dollars for all calendar years after December 31, 2020, until the port transportation credit expires pursuant to item (6).

(4)(a) If the allocable port transportation credit exceeds the taxpayer's income tax liability for the taxable year, the excess amount may be carried forward and claimed against income taxes in the next five succeeding taxable years.

(b) If the allocable port transportation credit exceeds the taxpayer's withholding tax liability for the taxable quarter that is not otherwise refundable pursuant to this title, the excess amount may be carried forward and claimed against withholding liability that is not otherwise refundable pursuant to this title in the next twenty succeeding taxable quarters.

(5)(a) The port transportation credit is allowable to a qualifying taxpayer without regard to whether the taxpayer qualifies for any of the other credits available under this section. A qualifying taxpayer seeking to claim the port transportation credit must submit an application to the council after the calendar year in which the taxpayer seeks to claim the port transportation credit. The application must be made on a form to be prescribed by the council.

(b) To receive the credit the taxpayer shall claim the credit on its income tax or withholding return in a manner prescribed by the department. The department may require a copy of the certification form issued by the council be attached to the return or otherwise provided.

(6) A taxpayer may not claim the port transportation credit in any tax year after the tax year in which a port in Jasper County is opened and is accepting shipments."

SECTION 3. Article 21, Chapter 36, Title 12 of the 1976 Code is amended by adding:

"Section 12-36-2140. For purposes of the exemptions set forth in this article, the term 'distribution facility' includes, but is not limited to, a port facility as defined in Section 12-6-3375."

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

---XX---

This web page was last updated on April 4, 2019 at 3:00 PM