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COMMITTEE REPORT

April 6, 2011

**H. 3506**

Introduced by Reps. Loftis, Allison, J.R. Smith, White, Bowen, Ott, Cobb‑Hunter, Pitts and Henderson

S. Printed 4/6/11--H.

Read the first time January 27, 2011.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (H. 3506) to amend Section 12‑6‑3360, as amended, Code of Laws of South Carolina, 1976, relating to the job tax credit, so as to revise the definition, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, page 2, beginning on line 20, by striking item (6) as added to Section 12-20-105(C), SECTION 2, and inserting:

/ (6) for a qualifying project pursuant to subsection (B)(2), site preparation costs include, but are not limited to:

(a) clearing, grubbing, grading, and stormwater retention; and

(b) refurbishment of buildings that are owned or controlled by a county or municipality and are used exclusively for economic development purposes. /

Renumber sections to conform.

Amend title to conform.

DANIEL T. COOPER for Committee.

**A** **BILL**

TO AMEND SECTION 12‑6‑3360, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE JOB TAX CREDIT, SO AS TO REVISE THE DEFINITION OF A “TECHNOLOGY INTENSIVE FACILITY”; TO AMEND SECTION 12‑20‑105, AS AMENDED, RELATING TO THE TAX CREDIT FOR INFRASTRUCTURE IMPROVEMENTS FOR WATER, WASTEWATER, HYDROGEN FUEL, SEWER, GAS, STEAM, ELECTRIC ENERGY, AND COMMUNICATION SERVICES, SO AS TO INCLUDE CERTAIN SITE PREPARATION COSTS WITHIN THE DEFINITION OF INFRASTRUCTURE IMPROVEMENTS WHICH GIVE RISE TO THE CREDIT; AND TO AMEND SECTION 12‑44‑30, AS AMENDED, RELATING TO FEES IN LIEU OF TAXES, SO AS TO REVISE THE DEFINITION OF “TERMINATION DATE”.

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

SECTION 1. Section 12‑6‑3360(M)(14) of the 1976 Code, as last amended by Act 290 of 2010, is further amended to read:

“(14) ‘Technology intensive facility’ means:

(a) a facility at which a firm engages in the design, development, and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge. Included in this definition are the following North American Industrial Classification Systems, NAICS, Codes published by the Office of the Management and Budget of the federal government:

(i) 5114 database and directory publishers;

(ii) 5112 software publishers;

(iii) 54151 computer systems design and related services;

(iv) 541511 custom computer programming services;

(v) 541512 computer systems design services;

(vi) 541710 scientific research and development services;

(vii) 541711 research and development in biotechnology; 2007 NAICS;

(viii) 541712 research and development in physical, engineering, and life sciences; 2007 NAICS;

(ix) 9271 space research and technology; or

(b) a facility primarily used for one or more activities listed under the 2002 version of the NAICS Codes 51811 (Internet Service Providers and Web Search Portals).”

SECTION 2. Section 12‑20‑105(C) of the 1976 Code, as last amended by Act 290 of 2010, is further amended by adding an item to read:

“(6) for a qualifying project pursuant to subsection (B)(2), site preparation costs include, but are not limited to, clearing, grubbing, grading, and stormwater retention.”

SECTION 3. Section 12‑44‑30(21) of the 1976 Code, as last amended by Act 290 of 2010, is further amended to read:

“(21) ‘Termination date’ means the date that is the last day of a property tax year that is no later than the twenty‑ninth year following the first property tax year in which an applicable piece of economic development property is placed in service. A sponsor may apply to the county prior to the termination date for an extension of the termination date beyond the twenty‑ninth year up to ten years. The county council of the county shall approve an extension by resolution upon a finding of substantial public benefit. A copy of the resolution must be delivered to the department within thirty days of the date the resolution was adopted. With respect to a fee agreement involving an enhanced investment, the termination date is the last day of a property tax year that is no later than the thirty‑ninth year following the first property tax year in which an applicable piece of economic development property is placed in service. A sponsor may apply to the county before the termination date for an extension of the termination date beyond the thirty‑ninth year up to ten years. If the fee agreement is terminated in accordance with Section 12‑44‑140, the termination date is the date the agreement is terminated.”

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

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