**South Carolina General Assembly**

125th Session, 2023-2024

**S. 1021**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Davis, Matthews and Campsen

Document Path: LC-0320DG24.docx

Introduced in the Senate on February 6, 2024

Introduced in the House on March 21, 2024

Currently residing in the Senate

Summary: Abandoned buildings tax credit

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/6/2024 Senate Introduced and read first time ([Senate Journal‑page 4](h:\sj\20240206.docx))

2/6/2024 Senate Referred to Committee on **Finance** ([Senate Journal‑page 4](h:\sj\20240206.docx))

2/28/2024 Senate Committee report: Favorable **Finance** ([Senate Journal‑page 15](h:\sj\20240228.docx))

3/1/2024 Scrivener's error corrected

3/19/2024 Senate Read second time ([Senate Journal‑page 17](h:\sj\20240319.docx))

3/19/2024 Senate Roll call Ayes-42 Nays-0 ([Senate Journal‑page 17](h:\sj\20240319.docx))

3/20/2024 Senate Read third time and sent to House ([Senate Journal‑page 11](h:\sj\20240320.docx))

3/21/2024 House Introduced and read first time ([House Journal‑page 19](h:\hj\20240321.docx))

3/21/2024 House Referred to Committee on **Ways and Means** ([House Journal‑page 19](h:\hj\20240321.docx))

4/25/2024 House Committee report: Favorable with amendment **Ways and Means** ([House Journal‑page 19](h:\hj\20240425.docx))

4/30/2024 Scrivener's error corrected

5/2/2024 House Debate adjourned until Tues., 5-7-24

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**VERSIONS OF THIS BILL**

[02/06/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240206.docx)

[02/28/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240228.docx)

[03/01/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240301.docx)

[04/25/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240425.docx)

[04/30/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/1021_20240430.docx)

Indicates Matter Stricken

Indicates New Matter

Committee Report

April 25, 2024

S. 1021

Introduced by Senators Davis, Matthews and Campsen

S. Printed 04/25/24--H. [SEC 4/30/2024 6:55 PM]

Read the first time March 21, 2024

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The committee on House Ways and Means

To whom was referred a Bill (S. 1021) to extend the provisions of the South Carolina Abandoned Buildings Revitalization Act to 2035; and to amend the South Carolina Code of Laws by amending Section 12‑67‑140, etc., respectfully

Report:

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

Amend the bill, as and if amended, by adding an appropriately numbered SECTION to read:

SECTION X. A. Article 25, Chapter 6, Title 12 of the S.C. Code is amended by adding:

Section 12-6-3810. (A) As used in this section:

(1) “Department” means the South Carolina Department of Commerce.

(2) “Eligible taxpayer” means any railroad owner located in this State that is classified by the United States Surface Transportation Board as a Class II or Class III railroad.

(3) “Qualified railroad reconstruction or replacement expenditures” means gross expenditures for maintenance, reconstruction or replacement of railroad infrastructure, including track, roadbed, bridges, industrial leads and sidings, and track-related structures owned or leased by a Class II or Class III railroad located in this State.

(4) “Eligible transferee” means any taxpayer subject to tax under Section 12-6-510, 12-6-530, 12-11-20, or 38-7-20.

(B)(1) There is allowed a credit against the tax imposed pursuant to Section 12-6-510, 12-6-530, 12-11-20, or 38-7-20 equal to fifty percent of an eligible taxpayer’s qualified railroad reconstruction or replacement expenditures.

(2) For qualified railroad reconstruction or replacement expenditures the amount of the credit may not exceed five thousand dollars multiplied by the number of miles of railroad track owned or leased within this State by the eligible taxpayer as of the close of the taxable year.

(C)(1) Following the completion of qualified railroad reconstruction or replacement expenditures, the eligible taxpayer shall submit to the Department of Commerce a verification of qualified expenditures on a form provided for that purpose by the Department of Commerce. The verification must include a statement certifying:

(a) the status of the owner or lessee of the railroad as an eligible taxpayer;

(b) certification of the miles of railroad track owned or leased in this State;

(c) the qualified railroad reconstruction or replacement work completed; and

(d) a description of the amount of qualified railroad reconstruction or replacement expenditures paid or incurred.

Within thirty days after receipt and approval of the foregoing documentation from the eligible taxpayer, the department shall issue a tax credit certificate in an amount equivalent to the amount of the qualified railroad reconstruction or replacement expenditures incurred by the eligible taxpayer, not to exceed the amount of the tax credits reserved for the project.

(2) At the end of each year, the department shall furnish to the Department of Revenue a list of all eligible taxpayers who have qualified for the credit along with the amount of the credit authorized.

(3) Section 12-54-240 may not apply to any information exchanged between the Department of Commerce and the Department of Revenue relating to the credit allowed pursuant to this section.

(D) The department may adopt rules to implement and administer this section and to enable the certification of the income tax credit amount earned by each eligible taxpayer.

(E) In order to obtain a credit against any state income tax due, an eligible taxpayer shall file the tax credit certificate with the taxpayer’s South Carolina state income tax return.

(F) Any tax credit generated pursuant to the provisions of this section, to the extent not used, may be carried forward for each of the five years following the year of qualification.

(G)(1) An eligible taxpayer may transfer any unused credit to any eligible transferee by written agreement, at any time during the five years following the tax year the qualified railroad reconstruction or replacement expenditures are incurred. Any eligible transferee is entitled to claim the credit only for any period remaining for the tax credit.

(2) The eligible taxpayer and the eligible transferee must file jointly a copy of the written transfer agreement with the Department of Revenue, within thirty days of the transfer. The written agreement must contain the name, address, and taxpayer identification number of the eligible taxpayer and the eligible transferee, the tax year the eligible taxpayer incurred the qualified railroad reconstruction or replacement expenditures, the amount of credit being transferred, and the tax year or years for which the credit maybe claimed.

(H) The department shall report to the Senate Finance Committee and the House Ways and Means Committee by July 1, 2026, and annually thereafter for the duration of the existence of this program, on the use of the credit, including the number of tax credits applied for and the number of tax credits granted from the qualified railroad reconstruction or replacement expenditures for which tax credits have been allowed.

B. This SECTION takes effect upon approval by the Governor and first applies to income tax years beginning after December 31, 2023. The provisions of this act are repealed on December 31, 2028, except that if the credit allowed by Section 12-6-3810, as added by this act, is earned before the repeal, then the provisions of Section 12-6-3810 continue to apply until the credits have been fully claimed.

Renumber sections to conform.

Amend title to conform.

B.W. BANNISTER for Committee.

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A bill

TO EXTEND THE PROVISIONS OF THE SOUTH CAROLINA ABANDONED BUILDINGS REVITALIZATION ACT TO 2035; AND TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑67‑140, RELATING TO THE ABANDONED BUILDINGS TAX CREDIT, SO AS TO INCREASE THE AMOUNT OF THE MAXIMUM TAX CREDIT THAT MAY BE EARNED.

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

SECTION 1. Notwithstanding SECTION 1.B. of Act 57 of 2013, the provisions of Chapter 67, Title 12 of the South Carolina Code are repealed on December 31, 2035.

SECTION 2. Section 12‑67‑140(B)(3)(b) of the S.C. Code is amended to read:

(b) The entire credit earned pursuant to this subsection may not exceed five seven hundred thousand dollars for any taxpayer in a tax year for each abandoned building site. The limitation provided in this subitem applies to each unit or parcel deemed to be an abandoned building site.

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

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