**South Carolina General Assembly**

125th Session, 2023-2024

**H. 3810**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. Elliott

Companion/Similar bill(s): 270

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Introduced in the House on January 25, 2023

Introduced in the Senate on April 6, 2023

Last Amended on April 5, 2023

Currently residing in the House

Summary: License fee on corporations

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/25/2023 House Introduced and read first time (House Journal‑page 15)

 1/25/2023 House Referred to Committee on **Ways and Means** (House Journal‑page 15)

 3/30/2023 House Committee report: Favorable **Ways and Means** (House Journal‑page 14)

 4/5/2023 House Amended (House Journal‑page 158)

 4/5/2023 House Read second time (House Journal‑page 158)

 4/5/2023 House Roll call Yeas-103 Nays-10 (House Journal‑page 158)

 4/6/2023 House Read third time and sent to Senate (House Journal‑page 29)

 4/6/2023 Senate Introduced and read first time (Senate Journal‑page 38)

 4/6/2023 Senate Referred to Committee on **Finance** (Senate Journal‑page 38)

 4/11/2023 Scrivener's error corrected

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=3810&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[01/25/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3810_20230125.docx)

[03/30/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3810_20230330.docx)

[04/05/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3810_20230405.docx)

[04/11/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/3810_20230411.docx)

Indicates Matter Stricken

Indicates New Matter

Amended

April 5, 2023

H. 3810

Introduced by Rep. Elliott

S. Printed 04/05/23--H. [SEC 4/11/2023 11:14 AM]

Read the first time January 25, 2023

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A bill

to amend the South Carolina Code of Laws by amending Section 12‑20‑50, relating to THE IMPOSITION OF LICENSE TAXES ON CORPORATIONS, so as to PROVIDE THAT THE FEE DOES NOT APPLY TO ANY PORTION OF THE FIRST FIFTY MILLION DOLLARS OF CERTAIN CAPITAL STOCK AND PAID‑IN OR CAPITAL SURPLUS.

 Amend Title To Conform

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

SECTION 1. Section 12‑20‑50 of the S.C. Code is amended by adding:

 (D)(1) A corporation subject to the provisions of this section whose corporate headquarters, as defined in Section 12‑6‑3410, and principal place of business, as defined in Section 12‑6‑30, are in South Carolina may exclude the first fifty million dollars of equity contributions from a qualifying entity from its paid‑in or capital surplus subject to the annual license fee. To qualify for this exclusion, the corporation must obtain a certificate from the South Carolina Research Authority certifying that the exclusions result from equity contributions from a qualifying entity.

 (2) For purposes of this subsection, a qualifying entity includes:

 (a) a venture capital fund as defined pursuant to 17 C.F.R. Section 275.203(1) 1;

 (b) an angel or accredited investor, as defined pursuant to 17 C.F.R. Section 230.501; and

 (c) a private investment firm that does not solicit capital from investors, excluding another qualifying entity, or the general public and meets one of the exemptions outlined in the Investment Company Act of 1940.

 (3) A corporation claiming this exclusion must:

 (a) submit an annual report to the department that contains the name of each qualifying entity, the date of the equity contribution, the manner in which the qualifying entity meets the requirements of item (2), the amount of the paid‑in or capital surplus for each year that is attributable to each qualifying entity, and any other information that the department may require; and

 (b) keep detailed books and records, including segregating out equity contributions attributable to each qualifying entity and retaining information concerning the information required to be provided in subitem (a).

SECTION 2. Section 33-44-409(b)(3) of the S.C. Code is amended to read:

 (3) to refrain from competing with the company in the conduct of the company's business before the dissolution of the company. This item does not apply when a member is also a member of another LLC and there is not an enforceable noncompete provision in the operating agreement.

SECTION 3. This act takes effect upon approval by the Governor and first applies to the tax year beginning after July 1, 2023.

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