

Session 117 - (2007-2008)

S*0091 (Rat #0107, Act #0110 of 2007) General Bill, By Campsen, Ritchie and Knotts

Similar (S 0408, H 3800, H 3848)

Summary: Research and Development Tax Credit Reform Act

AN ACT TO ENACT THE RESEARCH AND DEVELOPMENT TAX CREDIT REFORM ACT BY AMENDING SECTION 12-6-3415, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CORPORATE INCOME TAX AND CORPORATE LICENSE TAX CREDIT ALLOWED TAXPAYERS CLAIMING A FEDERAL INCOME TAX CREDIT FOR RESEARCH ACTIVITY, SO AS TO ALLOW THE CREDIT AGAINST ANY INCOME TAX IMPOSED PURSUANT TO THE SOUTH CAROLINA INCOME TAX ACT; BY ADDING SECTION 12-14-80 SO AS TO ALLOW AN ECONOMIC IMPACT ZONE TAX CREDIT AGAINST THE CORPORATE INCOME TAX OR EMPLOYEES' WITHHOLDING TAX TO A MANUFACTURER THAT IS ENGAGED IN AT LEAST ONE ECONOMIC IMPACT ZONE, EMPLOYS FIVE THOUSAND OR MORE FULL-TIME WORKERS IN THIS STATE WITH A TOTAL CAPITAL INVESTMENT OF NOT LESS THAN TWO BILLION DOLLARS, AND HAS INVESTED FIVE HUNDRED MILLION DOLLARS IN THIS STATE; TO AMEND SECTION 12-36-2120, AS AMENDED, RELATING TO SALES TAX EXEMPTIONS, SO AS TO ALLOW A SALES TAX EXEMPTION FOR AN AMUSEMENT PARK RIDE AND ANY PARTS, MACHINERY, AND EQUIPMENT USED TO ASSEMBLE AND MAKE UP AN AMUSEMENT PARK RIDE OR PERFORMANCE VENUE FACILITY AND ANY RELATED OR REQUIRED MACHINERY, EQUIPMENT, AND FIXTURES LOCATED IN AN AMUSEMENT PARK OR THEME PARK THAT MEETS CERTAIN INVESTMENT AND EMPLOYMENT QUALIFICATIONS; TO AMEND SECTION 11-45-30, AS AMENDED, RELATING TO DEFINITIONS, SO AS TO CLARIFY THE DEFINITION OF 'LENDER' AND PROVIDE A DEFINITION FOR 'INTEREST'; TO AMEND SECTION 11-45-50, AS AMENDED, RELATING TO REQUIREMENTS FOR THE SUBMISSION OF INVESTMENT PLANS, SO AS TO PROVIDE CLARIFYING LANGUAGE; TO AMEND SECTION 11-45-55, RELATING TO TAX CREDIT CERTIFICATES, SO AS TO REQUIRE THAT THE SOUTH CAROLINA VENTURE CAPITAL AUTHORITY ESTABLISH GUIDELINES FOR PROCEDURES TO ISSUE TAX CREDITS AND DELETE THE REQUIREMENT THAT THE AUTHORITY ALSO ESTABLISH REGULATIONS; TO AMEND SECTION 11-45-70, AS AMENDED, RELATING TO VENTURE CAPITAL INVESTMENT REQUIREMENTS, SO AS TO ALLOW AN INVESTOR TO BE QUALIFIED IF HE PROVES THAT HE HAS MADE PRIOR INVESTMENTS IN SOUTH CAROLINA OR SOUTH CAROLINA BASED COMPANIES; BY ADDING SECTION 11-45-105 SO AS TO REQUIRE THE BUDGET AND CONTROL BOARD TO APPROVE GUIDELINES ISSUED BY THE AUTHORITY; TO AMEND SECTION 11-35-40, AS AMENDED, RELATING TO THE APPLICATION OF THE PROCUREMENT CODE, SO AS TO PROHIBIT A STATE AGENCY OR DIVISION TO SELL, LEASE, OR ALIENATE TELECOMMUNICATIONS OR INFORMATION TECHNOLOGY INFRASTRUCTURE OF THE STATE BY TEMPORARY PROVISO; BY ADDING SECTION 12-60-3312 SO AS TO PROVIDE THAT PROCEEDINGS AND RECORDS OF A CONTESTED CASE HEARING INVOLVING THE SOUTH CAROLINA REVENUE PROCEDURES ACT ARE OPEN TO THE PUBLIC; TO AMEND SECTION 6-34-40, AS AMENDED, RELATING TO TAX CREDITS FOR RETAIL FACILITIES REVITALIZATION, SO AS TO MAKE A TECHNICAL CHANGE AND TO PROVIDE THAT THE DEPARTMENT OF REVENUE MAY PROMULGATE REGULATIONS IN CONNECTION WITH THESE CREDITS, BUT IS NOT REQUIRED TO; TO AMEND SECTION 12-2-20, AS AMENDED, RELATING TO THE DEFINITION OF "PERSON" FOR PURPOSES OF ADMINISTRATION OF TAXES BY THE DEPARTMENT OF REVENUE, SO AS TO ADD A DEFINITION FOR "INDIVIDUAL"; TO AMEND SECTION 12-6-40, AS AMENDED, RELATING TO APPLICABILITY OF THE INTERNAL REVENUE CODE TO THIS STATE, SO AS TO PROVIDE FOR A TAXPAYER FILING A STATE RETURN WITH AN APPROVAL FROM THE INTERNAL REVENUE SERVICE; TO AMEND SECTION 12-6-545, AS AMENDED, RELATING TO INCOME TAX RATES FOR PASS-THROUGH TRADE AND BUSINESS INCOME, SO AS TO CORRECT A CROSS REFERENCE AND TO FURTHER PROVIDE FOR AN ELECTION BY A TAXPAYER OWNING AN INTEREST IN A PASS-THROUGH BUSINESS FOR WHICH A PORTION OF THE ACTIVE INCOME IS RELATED TO HIS PERSONAL SERVICES; TO AMEND SECTION 12-6-1140, AS AMENDED, RELATING TO DEDUCTIONS ALLOWED FROM SOUTH CAROLINA TAXABLE INCOME OF AN INDIVIDUAL, SO AS TO PROVIDE FOR CERTIFICATION FROM A SUPERVISOR OF THE TAXPAYER CLAIMING THE DEDUCTION; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO THE JOB TAX CREDIT, SO AS TO CORRECT CROSS REFERENCES AND TO FURTHER PROVIDE FOR DESIGNATION OF THE CORPORATE HEADQUARTERS OF A GENERAL CONTRACTOR LICENSED IN THIS STATE; TO AMEND SECTION 12-6-3535, AS AMENDED, RELATING TO CREDIT AGAINST THE STATE INCOME TAX FOR REHABILITATION OF A CERTIFIED HISTORIC STRUCTURE, SO AS TO PROVIDE FOR THE FILING OF THE CERTIFICATION BY THE TAXPAYER WITH A TAX RETURN; TO AMEND SECTION 12-6-3585, RELATING TO THE TAX CREDIT FOR CONTRIBUTIONS TO THE INDUSTRY PARTNERSHIP FUND, SO AS TO SUBSTITUTE THE WORD "SINGLE" FOR "INDIVIDUAL" WHEN DESCRIBING THE TAXPAYER AND TO PROVIDE FOR AVAILABILITY OF THE QUALIFYING FORM TO THE

DEPARTMENT OF REVENUE; TO AMEND SECTION 12-6-3587, RELATING TO A TAX CREDIT FOR INSTALLATION OF A SOLAR ENERGY HEATING OR COOLING SYSTEM, SO AS TO SPECIFY THAT THE INSTALLATION MUST BE DONE IN A BUILDING IN THIS STATE; TO AMEND SECTION 12-6-4980, AS AMENDED, RELATING TO EXTENSION OF TIME FOR FILING RETURNS, SO AS TO PROVIDE FOR AN EXTENSION NOT TO EXCEED SIX MONTHS, TO DELETE THE REQUIREMENT THAT THE EXTENSION BE ALLOWED FOR GOOD CAUSE, AND TO DISALLOW ANOTHER EXTENSION FOR A TAXPAYER WHO FAILS TO MEET THE REQUIREMENT OF THE PREVIOUS EXTENSION; TO AMEND SECTION 12-8-580, AS AMENDED, RELATING TO INCOME TAX WITHHOLDING FROM A NONRESIDENT SELLER, SO AS TO PROVIDE FOR THE REMITTANCE OF WITHHELD AMOUNTS BY A LENDING INSTITUTION, REAL ESTATE AGENT, OR CLOSING ATTORNEY; TO AMEND SECTION 12-8-590, RELATING TO WITHHOLDING INCOME TAX FROM A NONRESIDENT DISTRIBUTEE SO AS TO MAKE TECHNICAL CORRECTIONS; TO AMEND SECTION 12-8-2020, RELATING TO REFUND OR CREDIT FOR OVERPAYMENT OF WITHHELD TAX, SO AS TO DELETE THE REQUIREMENT THAT THE WITHHOLDING AGENT FURNISH EVIDENCE AND TO DELETE TIME AND DOLLAR AMOUNT LIMITATIONS; TO AMEND SECTION 12-20-90, AS AMENDED, RELATING TO LICENSE FEES FOR HOLDING COMPANIES, SO AS TO CORRECT A CROSS REFERENCE; TO AMEND SECTION 12-23-20, AS AMENDED, RELATING TO EXEMPTION FROM THE BUSINESS LICENSE TAX, SO AS TO CONFORM THE TIMES FOR WHICH THE ASSESSMENT OF TAXES MAY BE SUSPENDED; TO AMEND SECTION 12-36-2120, AS AMENDED, RELATING TO EXEMPTIONS FROM THE STATE SALES TAX, SO AS TO CONFORM THE TIMES FOR WHICH THE ASSESSMENT OF TAXES MAY BE SUSPENDED; TO AMEND SECTION 12-36-2510, AS AMENDED, RELATING TO A CERTIFICATE ALLOWING A TAXPAYER TO BUY TANGIBLE PERSONAL PROPERTY TAX FREE AND THE PURCHASER TO BE LIABLE FOR TAXES, SO AS TO MAKE A TECHNICAL CORRECTION; TO AMEND SECTION 12-37-270, AS AMENDED, RELATING TO CREDITS TO THE TRUST FUND FOR TAX RELIEF IN AN AMOUNT SUFFICIENT TO PAY REIMBURSEMENT, SO AS TO PERMIT, BUT NOT REQUIRE, THE DEPARTMENT OF REVENUE TO PROMULGATE REGULATIONS IN THAT CONNECTION; TO AMEND SECTION 12-54-70, AS AMENDED, RELATING TO EXTENSION OF TIME FOR FILING RETURNS OR PAYING TAX, SO AS TO PROVIDE FOR AN EXTENSION OF TIME NOT TO EXCEED SIX MONTHS AND TO DELETE THE REQUIREMENT THAT GOOD CAUSE BE SHOWN; TO AMEND SECTION 12-54-85, AS AMENDED, RELATING TO TIME LIMITS ON ASSESSMENTS, SO AS TO PROVIDE FOR THE TOTAL OF ALL TAXES REQUIRED TO BE SHOWN ON A RETURN IN CONNECTION WITH DETERMINATION OF AN UNDERSTATEMENT OF TAXES, TO PROVIDE FOR TIME LIMITS FOR ASSESSMENT OF USE TAXES, AND TO PROVIDE THAT THE TIME LIMITATIONS DO NOT APPLY TO SUCCESSOR LIABILITY STATUTES; TO AMEND SECTION 12-54-155, AS AMENDED, RELATING TO PENALTIES FOR UNDERSTATEMENT OF TAXES, SO AS TO MAKE A TECHNICAL CORRECTION; TO AMEND SECTION 12-54-240, AS AMENDED, RELATING TO DISCLOSURE OF RECORDS, REPORTS, AND RETURNS FILED WITH THE DEPARTMENT OF REVENUE, SO AS TO PROVIDE FOR DISCLOSURE OF THE TAXPAYER'S ADDRESS AS SHOWN ON THE RETURN, TO OMIT A CROSS REFERENCE, AND TO ALLOW THE DISCLOSURE OF INFORMATION IN CONNECTION WITH PROCEEDINGS AND RECORDS OF A CONTESTED CASE HEARING OF THE ADMINISTRATIVE LAW COURT PURSUANT TO THE SOUTH CAROLINA REVENUE PROCEDURES ACT; TO AMEND SECTION 12-60-20, AS AMENDED, RELATING TO LEGISLATIVE INTENT IN CONNECTION WITH THE SOUTH CAROLINA REVENUE PROCEDURES ACT, SO AS TO INCLUDE DISPUTES CONCERNING PROPERTY TAXES; TO AMEND SECTION 12-60-90, AS AMENDED, RELATING TO THE ADMINISTRATIVE TAX PROCESS, SO AS TO CORRECT A CROSS REFERENCE; TO AMEND SECTION 6-1-320, AS AMENDED, RELATING TO THE LIMIT ON PROPERTY TAX MILLAGE INCREASES, SO AS TO PROVIDE THAT A REDUCTION IN POPULATION DOES NOT DECREASE THE APPLICABLE LIMIT; BY ADDING SECTION 12-4-535 SO AS TO PROVIDE FOR A DEPARTMENT DETERMINATION AS TO VALUATION, ASSESSMENT, OR TAXATION OF PROPERTY; TO AMEND SECTION 12-4-320, RELATING TO POWERS AND DUTIES OF THE DEPARTMENT OF REVENUE, SO AS TO INCLUDE PARTICIPATION IN A NATIONAL AUDIT PROGRAM BY WRITTEN AGREEMENT WITH THE MULTI-STATE TAX COMMISSION AND IN AN INSTALLMENT PAYMENT AGREEMENT WITH A TAXPAYER; TO AMEND SECTION 12-6-40, AS AMENDED, RELATING TO APPLICATION OF THE INTERNAL REVENUE CODE TO STATE TAX LAWS, SO AS TO INCLUDE THE CODE THROUGH 2006; TO AMEND SECTION 12-6-50, AS AMENDED, RELATING TO PROVISIONS OF THE INTERNAL REVENUE CODE NOT ADOPTED BY THE STATE, SO AS TO INCLUDE SECTION 54; TO AMEND SECTION 12-6-3360, AS AMENDED, RELATING TO THE JOB TAX CREDIT, SO AS TO PROVIDE FOR A HIGHER TIER CREDIT FOR FIVE TAXABLE YEARS IN CERTAIN CASES; TO AMEND SECTION 12-6-3362, RELATING TO SMALL BUSINESS TAX CREDIT, SO AS TO COMMENCE THE CREDIT IN THE YEAR THE JOBS ARE CREATED AND TO PROVIDE FOR ITS CALCULATION; TO AMEND SECTION 12-6-3585, RELATING TO THE INDUSTRY PARTNERSHIP FUND TAX CREDIT, SO AS TO INCLUDE CROSS REFERENCES TO THE BANK TAX; TO AMEND SECTION 12-36-2120, AS AMENDED, RELATING TO EXEMPTIONS FROM THE STATE'S SALES AND USE TAX,

SO AS TO INCLUDE CERTAIN DRUGS AND MEDICAL SUPPLIES PURCHASED BY THE STATE IN CONNECTION WITH A STATE OF EMERGENCY AND CONSTRUCTION MATERIALS USED TO BUILD OR EXPAND A MANUFACTURING OR DISTRIBUTION FACILITY OR A FACILITY THAT SERVES BOTH PURPOSES AT A SINGLE SITE AND TO FURTHER DEFINE ELECTRICITY USED FOR IRRIGATION; TO AMEND SECTION 12-54-200, AS AMENDED, RELATING TO THE REQUIREMENT OF A BOND TO SECURE THE PAYMENT OF TAXES, SO AS TO ALLOW FOR REQUIREMENT OF PAYMENT IN IMMEDIATELY AVAILABLE FUNDS IF THE AMOUNT DUE IS FIFTEEN THOUSAND DOLLARS OR MORE; TO AMEND SECTION 12-54-240, AS AMENDED, RELATING TO DISCLOSURE RECORDS AND REPORTS FILED WITH THE DEPARTMENT OF REVENUE, SO AS TO PERMIT DISCLOSURE TO THE STATE TREASURER IN CONNECTION WITH THE UNCLAIMED PROPERTY ACT AND, FURTHER, TO PERMIT THE EXCHANGE OF INFORMATION IN CONNECTION WITH THE VERIFICATION OF TAX CREDITS IN CONNECTION WITH THE VENTURE CAPITAL INVESTMENT ACT; TO AMEND SECTION 12-54-250, AS AMENDED, RELATING TO REQUIREMENT OF PAYMENT IN IMMEDIATELY AVAILABLE FUNDS, SO AS TO DEFINE MORE SPECIFICALLY "PAYMENT IN IMMEDIATELY AVAILABLE FUNDS"; TO AMEND SECTION 12-60-430, AS AMENDED, RELATING TO THE ESTIMATION OF TAX LIABILITY BY THE DEPARTMENT OF REVENUE, SO AS TO INCLUDE THE OCCASION OF A FRIVOLOUS RETURN OR REPORT AND TO PROVIDE FOR DISCLOSURE OF THE DATA IT USES IN THE ESTIMATION TO A COURT; TO AMEND SECTION 11-11-156, RELATING TO REIMBURSEMENTS TO SCHOOL DISTRICTS FROM THE HOMESTEAD EXEMPTION FUND, SO AS TO PROVIDE FOR REIMBURSEMENTS IN THE CASE OF A REDEVELOPMENT PROJECT AREA; TO AMEND SECTION 11-45-55, RELATING TO TAX CREDIT CERTIFICATES IN CONNECTION WITH THE VENTURE CAPITAL INVESTMENT ACT, SO AS TO PERMIT THE EXCHANGE OF INFORMATION WITH THE DEPARTMENT OF REVENUE AND OTHER AGENCIES; TO PROHIBIT THE ASSESSMENT OF A PENALTY AGAINST A SOUTH CAROLINA TAXPAYER FOR FOLLOWING SECTION 401 OF THE FEDERAL TAX INCREASE PREVENTION AND RECONCILIATION ACT OF 2005; BY ADDING SECTIONS 12-6-2252 AND 12-6-2295 SO AS TO FURTHER PROVIDE FOR ALLOCATION AND APPORTIONMENT OF BUSINESS INCOME FOR STATE INCOME TAX PURPOSES BY BASING THE DETERMINATION ONLY ON A SALES FACTOR AND TO DEFINE THE TERMS "SALES" AND "GROSS RECEIPTS" CONSISTENTLY AND SPECIFICALLY FOR THAT PURPOSE; TO AMEND SECTION 12-6-2250, AS AMENDED, RELATING TO THE CONDUCT OF CERTAIN BUSINESSES IN THIS STATE, SO AS TO PROVIDE FOR THE USE OF PROPERTY, PAYROLL, AND SALES RATIOS IN DETERMINING THE APPORTIONMENT AND ALLOCATION AND TO PROVIDE FOR RATES OF REDUCTION OF INCOME APPORTIONED TO THE STATE THROUGH TAXABLE YEARS BEGINNING IN 2007 THROUGH 2010; TO AMEND SECTION 12-6-2280, RELATING TO THE DEFINITION OF "SALES FACTOR", SO AS TO DELETE SOME EXAMPLES AND TO FURTHER EXPLAIN SALES TO THE UNITED STATES GOVERNMENT; TO AMEND SECTION 12-6-2290, RELATING TO APPORTIONMENT OF INCOME DERIVED FROM OTHER SOURCES, SO AS TO INCLUDE A CROSS REFERENCE TO THE NEW DEFINITION FOR "GROSS RECEIPTS"; TO AMEND SECTION 12-6-1130, AS AMENDED, RELATING TO COMPUTATION OF TAXABLE INCOME, SECTION 23-6-2240, RELATING TO APPORTIONMENT OF INCOME AFTER ALLOCATION, AND SECTION 23-6-2290, RELATING TO APPORTIONMENT OF INCOME DERIVED FROM OTHER SOURCES, ALL SO AS TO UPDATE A CROSS REFERENCE EFFECTIVE FOR TAXABLE YEARS BEGINNING AFTER 2010; TO REPEAL SECTION 12-6-2250 RELATING TO THE CONDUCT OF CERTAIN BUSINESSES IN THE STATE, SECTION 12-6-2260 RELATING TO THE PROPERTY FACTOR, AND SECTION 12-6-2270 RELATING TO THE PAYROLL FACTOR, ALL REPEALS EFFECTIVE FOR TAXABLE YEARS BEGINNING AFTER 2010; TO AMEND SECTION 6-5-10, RELATING TO THE AUTHORITY OF LOCAL GOVERNMENTAL ENTITIES TO INVEST, SO AS TO INCLUDE CERTAIN FEDERAL AND STATE OBLIGATIONS; TO AMEND SECTION 12-6-3620, RELATING TO METHANE GAS TAX CREDITS, SO AS TO CHANGE "POWER" TO "ENERGY"; AND TO AMEND SECTION 12-20-105, AS AMENDED, RELATING TO THE CORPORATE LICENSE TAX INFRASTRUCTURE CREDIT, SO AS TO PROVIDE ADDITIONAL REQUIREMENTS FOR THE CREDIT. - ratified title

11/29/06	Senate	Prefiled
11/29/06	Senate	Referred to Committee on Finance
01/09/07	Senate	Introduced and read first time SJ-66
01/09/07	Senate	Referred to Committee on Finance SJ-66
03/14/07	Senate	Committee report: Favorable Finance SJ-10
03/15/07	Senate	Read second time SJ-10
03/15/07		Scrivener's error corrected
03/20/07	Senate	Read third time and sent to House SJ-18
03/21/07	House	Introduced and read first time HJ-6
03/21/07	House	Referred to Committee on Ways and Means HJ-7

05/15/07	House	Recalled from Committee on Ways and Means HJ-38
05/16/07	House	Amended HJ-156
05/16/07	House	Read second time HJ-160
05/17/07	House	Read third time and returned to Senate with amendments HJ-13
05/23/07	Senate	House amendment amended
05/23/07	Senate	Returned to House with amendments
05/31/07	Senate	House amendment amended SJ-101
05/31/07	Senate	Returned to House with amendments SJ-101
06/05/07	House	Concurred in Senate amendment and enrolled HJ-3
06/07/07		Ratified R 107
06/14/07		Vetoed by Governor
06/20/07	Senate	Veto overridden by originating body Yeas-43 Nays-0
06/20/07	House	Debate adjourned on veto consideration HJ-83
06/21/07	House	Veto overridden Yeas-102 Nays-0 HJ-50
06/29/07		Copies available
06/29/07		Effective date See Act for Effective Date
07/06/07		Act No. 110