**South Carolina General Assembly**

121st Session, 2015-2016

**A256, R218, S427**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Hutto, Rankin, O'Dell and Williams

Document Path: l:\council\bills\bbm\9187dg15.docx

Introduced in the Senate on February 5, 2015

Introduced in the House on April 14, 2015

Last Amended on June 1, 2016

Passed by the General Assembly on June 2, 2016

Governor's Action: June 8, 2016, Signed

Summary: Job tax credits

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/5/2015 Senate Introduced and read first time ([Senate Journal‑page 7](file:///h:\SJ%20Archive\2015\02-05-15.docx))

2/5/2015 Senate Referred to Committee on **Finance** ([Senate Journal‑page 7](file:///h:\SJ%20Archive\2015\02-05-15.docx))

3/25/2015 Senate Committee report: Favorable **Finance** ([Senate Journal‑page 17](file:///h:\SJ%20Archive\2015\03-25-15.docx))

3/31/2015 Senate Read second time ([Senate Journal‑page 22](file:///h:\SJ%20Archive\2015\03-31-15.docx))

3/31/2015 Senate Roll call Ayes‑41 Nays‑0 ([Senate Journal‑page 22](file:///h:\SJ%20Archive\2015\03-31-15.docx))

4/1/2015 Senate Read third time and sent to House ([Senate Journal‑page 16](file:///h:\SJ%20Archive\2015\04-01-15.docx))

4/14/2015 House Introduced and read first time ([House Journal‑page 32](file:///h:\HJ%20Archive\2015\04-14-15.docx))

4/14/2015 House Referred to Committee on **Ways and Means** ([House Journal‑page 32](file:///h:\HJ%20Archive\2015\04-14-15.docx))

5/19/2016 House Committee report: Favorable with amendment **Ways and Means** ([House Journal‑page 105](file:///h:\HJ%20Archive\2016\05-19-16.docx))

5/26/2016 House Requests for debate‑Rep(s). Bedingfield, Hill, GR Smith, Loftis, McCoy, Hiott, Norman, Felder, Hixon, Hart, Pitts, Willis, Thayer, Finlay, Gagnon, MS McLeod, Cobb‑Hunter, King ([House Journal‑page 11](file:///h:\HJ%20Archive\2016\05-26-16.docx))

5/31/2016 House Amended ([House Journal‑page 39](file:///h:\HJ%20Archive\2016\05-31-16.docx))

5/31/2016 House Debate adjourned until Wed., 6‑1‑16 ([House Journal‑page 41](file:///h:\HJ%20Archive\2016\05-31-16.docx))

6/1/2016 House Amended ([House Journal‑page 103](file:///h:\HJ%20Archive\2016\06-01-16.docx))

6/1/2016 House Read second time ([House Journal‑page 103](file:///h:\HJ%20Archive\2016\06-01-16.docx))

6/1/2016 House Roll call Yeas‑91 Nays‑1 ([House Journal‑page 106](file:///h:\HJ%20Archive\2016\06-01-16.docx))

6/2/2016 House Read third time and returned to Senate with amendments ([House Journal‑page 39](file:///h:\HJ%20Archive\2016\06-02-16.docx))

6/2/2016 Senate Concurred in House amendment and enrolled ([Senate Journal‑page 37](file:///h:\SJ%20Archive\2016\06-02-16.docx))

6/2/2016 Senate Roll call Ayes‑40 Nays‑0 ([Senate Journal‑page 37](file:///h:\SJ%20Archive\2016\06-02-16.docx))

6/2/2016 Ratified R 218

6/8/2016 Signed By Governor

6/15/2016 Effective date See Act for Effective Date

6/16/2016 Act No. 256

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**VERSIONS OF THIS BILL**

[2/5/2015](file:///p:\pprever\2015-16\427_20150205.docx)

[3/25/2015](file:///p:\pprever\2015-16\427_20150325.docx)

[5/19/2016](file:///p:\pprever\2015-16\427_20160519.docx)

[5/31/2016](file:///p:\pprever\2015-16\427_20160531.docx)

[6/1/2016](file:///p:\pprever\2015-16\427_20160601.docx)

(A256, R218, S427)

**AN ACT TO AMEND SECTION 12‑6‑3360, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE JOB TAX CREDIT, SO AS TO ADD AN ESTABLISHMENT ENGAGED IN AN ACTIVITY OR ACTIVITIES LISTED UNDER SECTOR 4881, SUBSECTOR 488190 TO THE DEFINITION OF A “QUALIFYING SERVICE‑RELATED FACILITY”, TO ALLOW A TAXPAYER OPERATING AN AGRICULTURAL PACKAGING OPERATION TO CLAIM THE CREDIT, TO ALLOW CERTAIN AGRICULTURAL OPERATIONS TO CLAIM SEASONAL WORKERS AS A CERTAIN FRACTION OF A FULL‑TIME JOB, AND TO DEFINE “AGRICULTURAL PACKAGING”; TO AMEND SECTION 12‑36‑2120, AS AMENDED, RELATING TO EXEMPTIONS FROM THE STATE SALES TAX, SO AS TO EXEMPT MACHINES USED IN AGRICULTURAL PACKAGING; AND BY ADDING SECTION 13‑1‑1780 SO AS TO REQUIRE THE DEPARTMENT OF COMMERCE AND THE COORDINATING COUNCIL TO CONSIDER AGRICULTURAL BUSINESSES IN AWARDING ECONOMIC DEVELOPMENT BENEFITS****.**

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

**Jobs tax credit eligibility for air transportation services**

SECTION 1. Section 12‑6‑3360(M)(13)(a) of the 1976 Code is amended to read:

“(a) an establishment engaged in an activity or activities listed under the North American Industry Classification System Manual (NAICS) Section 62, subsectors 621, 622, and 623, or Sector 4881, subsector 488190; or”

**Jobs tax credit eligibility for agricultural packaging**

SECTION 2. Section 12‑6‑3360(A) of the 1976 Code is amended to read:

“(A) Taxpayers that operate manufacturing, tourism, processing, agricultural packaging, warehousing, distribution, research and development, corporate office, qualifying service‑related facilities, agribusiness operations, extraordinary retail establishment, and qualifying technology intensive facilities, and banks as defined pursuant to this title are allowed an annual jobs tax credit as provided in this section. In addition, taxpayers that operate retail facilities and service‑related industries qualify for an annual jobs tax credit in counties designated as ‘Tier IV’. As used in this section, ‘corporate office’ includes general contractors licensed by the South Carolina Department of Labor, Licensing and Regulation. Credits pursuant to this section may be claimed against income taxes imposed by Section 12‑6‑510 or 12‑6‑530, bank taxes imposed pursuant to Chapter 11 of this title, and insurance premium taxes imposed pursuant to Chapter 7, Title 38, and are limited in use to fifty percent of the taxpayer’s South Carolina income tax, bank tax, or insurance premium tax liability. In computing a tax payable by a taxpayer pursuant to Section 38‑7‑90, the credit allowable pursuant to this section must be treated as a premium tax paid pursuant to Section 38‑7‑20.”

**Jobs tax credit eligibility for seasonal workers of agricultural packaging and agribusiness**

SECTION 3. Section 12‑6‑3360(M)(4) of the 1976 Code is amended to read:

“(4) ‘Full‑time’ means a job requiring a minimum of thirty‑five hours of an employee’s time a week for the entire normal year of company operations or a job requiring a minimum of thirty‑five hours of an employee’s time for a week for a year in which the employee was hired initially for or transferred to the South Carolina facility. For the purposes of this section, two half‑time jobs are considered one full‑time job. A ‘half‑time job’ is a job requiring a minimum of twenty hours of an employee’s time a week for the entire normal year of the company’s operations or a job requiring a minimum of twenty hours of an employee’s time a week for a year in which the employee was hired initially for or transferred to the South Carolina facility. For agricultural packaging and agribusiness operations, seasonal workers may be considered a full‑time employee; however, a seasonal employee only counts as a fraction of a full‑time worker, with the numerator being the number of hours worked a week multiplied by the number of weeks worked, and the denominator being the number one thousand eight hundred twenty.”

**Definition**

SECTION 4. Section 12‑6‑3360(M) of the 1976 Code is amended by adding an appropriately numbered item to read:

“( ) ‘Agricultural packaging’ means the technology of enclosing or protecting or preserving agricultural products for distribution, storage, sale, and use. Packaging also refers to the process of design, evaluation, and production of packages used for agricultural products. Packaging can be described as a coordinated system of preparing agricultural goods for transport, warehousing, logistics, sale, and end use.”

**Sales tax exemption for agricultural packaging machines**

SECTION 5. A. Section 12‑36‑2120(17) of the 1976 Code is amended to read:

“(17) machines used in manufacturing, processing, agricultural packaging, recycling, compounding, mining, or quarrying tangible personal property for sale. ‘Machines’ include the parts of machines, attachments, and replacements used, or manufactured for use, on or in the operation of the machines and which (a) are necessary to the operation of the machines and are customarily so used, or (b) are necessary to comply with the order of an agency of the United States or of this State for the prevention or abatement of pollution of air, water, or noise that is caused or threatened by any machine used as provided in this section. This exemption does not include automobiles or trucks. As used in this item ‘recycling’ means a process by which materials that otherwise would become solid waste are collected, separated, or processed and reused, or returned to use in the form of raw materials or products, including composting, for sale. In applying this exemption to machines used in recycling, the following percentage of the gross proceeds of sale, or sales price of, machines used in recycling are exempt from the taxes imposed by this chapter:

Fiscal Year of Sale Percentage

Fiscal year 1997‑98 fifty percent

After June 30, 1998 one hundred percent;”

B. This section takes effect July 1, 2016.

**Agricultural businesses considered for economic development awards**

SECTION 6. Article 11, Chapter 1, Title 13 of the 1976 Code is amended by adding:

“Section 13‑1‑1780. In awarding benefits for economic development projects, including awards from the Governor’s Closing Fund, the Department of Commerce and the coordinating council must consider agricultural businesses. The Department of Commerce and the coordinating council must consider the number of jobs created, including full‑time, part‑time, and seasonal jobs, and the total investment made, including the cost of the real property.”

**Time effective**

SECTION 7. Except where specified otherwise, this act takes effect upon approval by the Governor. SECTION 1 applies to tax years beginning after 2015.

Ratified the 2nd day of June, 2016.

Approved the 8th day of June, 2016.

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