~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

May 8, 2019

**S. 440**

Introduced by Senators Talley and Reese

S. Printed 5/8/19--H. [SEC 5/9/19 10:48 AM]

Read the first time March 20, 2019.

**A** **BILL**

TO AMEND SECTION 12‑65‑20(4) AND (8) OF THE 1976 CODE, RELATING TO DEFINITIONS FOR THE SOUTH CAROLINA TEXTILES COMMUNITIES REVITALIZATION ACT, TO PROVIDE THAT A CERTAIN CAP ON REHABILITATION EXPENSES ONLY APPLIES TO CERTAIN REHABILITATED BUILDINGS ON CONTIGUOUS PARCELS.

Amend Title To Conform

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

SECTION 1. Section 12‑65‑20(4) and (8) of the 1976 Code is amended to read:

“(4)(a) ‘Textile mill site’ means the textile mill together with the land and other improvements on it which were used directly for textile manufacturing operations or ancillary uses. However, the area of the site is limited to the land located within the boundaries where the textile manufacturing, dying, or finishing facility structure is located and does not include land located outside the boundaries of the structure or devoted to ancillary uses.

(b) Notwithstanding the provisions of ~~this~~ item (4)(a), with respect to (i) any site acquired by a taxpayer before January 1, 2008, (ii) a site located on the Catawba River near Interstate 77, or (iii) a site which, on the date the notice of intent to rehabilitate is filed, is located in a distressed area of a county in this State, as designated by the applicable council of government, ~~the textile mill site includes~~ ‘textile mill site’ means the textile mill structure, together with all land and improvements which were used directly for textile manufacturing operations or ancillary uses, or were located on the same parcel or a contiguous parcel within one thousand feet of any textile mill structure or ancillary uses. For purposes of this ~~item~~ subitem, ‘contiguous parcel’ means any separate tax parcel sharing a common boundary with an adjacent parcel or separated only by a private or public road.

(8)(a) ‘Rehabilitation expenses’ means the expenses or capital expenditures incurred in the rehabilitation, renovation, or redevelopment of the textile mill site, including without limitations, the demolition of existing buildings, environmental remediation, site improvements and the construction of new buildings and other improvements on the textile mill site, but excluding the cost of acquiring the textile mill site or the cost of personal property located at the textile mill site. For expenses associated with a textile mill site to qualify for the credit, the textile mill and buildings on the textile mill site must be either renovated or demolished. ~~Rehabilitation expenses associated with new or rehabilitated buildings on a textile mill site that increases the amount of square footage of the buildings that existed on the site by more than two hundred percent must not be considered a rehabilitation expense for the purpose of calculating the credit.~~

(b) Notwithstanding subitem (a), for the purpose of calculating the credit with regard to new or rehabilitated buildings on ‘contiguous parcels’ pursuant to item (4)(b), ‘rehabilitation expenses’ do not include expenses that increase the amount of square footage of the buildings that existed on that contiguous parcel immediately preceding the time at which the textile mill became abandoned by more than two hundred percent.”

SECTION 2. A. Notwithstanding Section 1 of Act 265 of 2018, and Section 1.B. of Act 57 of 2013, upon the repeal of Chapter 67, Title 12 of the 1976 Code, any carryforward credits shall continue to be allowed until the five or eight year time period in Section 12-67-140 is completed.

B. Chapter 67, Title 12 of the 1976 Code is amended by adding:

“Section 12-67-170. Notwithstanding any other provision of this chapter, if a taxpayer files a notice of intent to rehabilitate and has been rehabilitating an abandoned building continuously for the preceding year and is more than sixty percent complete, then the taxpayer must be allowed to extend the placed in service date until ninety days after completion of construction, provided construction continues diligently until that date. Nothing in this section may be construed to allow a taxpayer to earn a credit allowed by this chapter before the applicable phase or portion of the building site is placed in service.”

SECTION 3. This act takes effect upon approval by the Governor and first applies to tax years beginning after 2017.

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