~~Indicates Matter Stricken~~

Indicates New Matter

AMENDED

May 4, 2022

**S. 233**

Introduced by Senator Turner

S. Printed 5/4/22--H. [SEC 5/5/22 2:55 PM]

Read the first time March 8, 2022.

**A** **BILL**

TO AMEND SECTION 12-37-220(B)(1)(b) OF THE 1976 CODE, RELATING TO PROPERTY EXEMPTED FROM AD VALOREM TAXATION, TO PROVIDE THAT A QUALIFIED SURVIVING SPOUSE MAY QUALIFY FOR AN EXEMPTION IF THE QUALIFIED SURVIVING SPOUSE OWNS THE HOUSE.

Amend Title To Conform

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

SECTION 1. Section 12‑37‑220(B)(1) of the 1976 Code is amended to read:

“(1)(a) the house owned by an eligible owner in fee or jointly with a spouse;

(b) the house owned by a qualified surviving spouse ~~acquired from the deceased spouse~~ and a house subsequently acquired by an eligible surviving spouse. The qualified surviving spouse shall inform the Department of Revenue of the address of a subsequent house;

(c) when a trustee holds legal title to a dwelling for a beneficiary and the beneficiary is a person who qualifies otherwise for the exemptions provided in subitems (a) and (b) and the beneficiary uses the dwelling as the beneficiary’s domicile, the dwelling is exempt from property taxation in the same amount and manner as dwellings are exempt pursuant to subitems (a) and (b);

(d) The Department of Revenue may require documentation it determines necessary to determine eligibility for the exemption allowed by this item.

(e) A person who owns an interest in a house and meets all other requirements of this item and is otherwise an eligible owner but for the ownership requirement is deemed to be an eligible owner and is eligible for the exemption allowed by this item so long as the county assessor certifies to the Department of Revenue that the house is located on heirs’ property and the person is the owner-occupied resident of the house. A person eligible pursuant to this subitem must not claim the special assessment rate allowed pursuant to Section 12-43-220(c) on any other property. For purposes of this item, heirs’ property has the same meaning as provided in Section 15-61-320.

(f) As used in this item:

(i) ‘eligible owner’ means:

(A) a veteran of the armed forces of the United States who is permanently and totally disabled as a result of a service‑connected disability and who files with the Department of Revenue a certificate signed by the county service officer certifying this disability;

(B) a former law enforcement officer as further defined in Section 23‑23‑10, who is permanently and totally disabled as a result of a law enforcement service‑connected disability;

(C) a former firefighter, including a volunteer firefighter as further defined in Chapter 80, Title 40, who is permanently and totally disabled as a result of a firefighting service‑connected disability;

(ii) ‘permanently and totally disabled’ means the inability to perform substantial gainful employment by reason of a medically determinable impairment, either physical or mental, that has lasted or is expected to last for a continuous period of twelve months or more or result in death;

(iii) ‘qualified surviving spouse’ means the surviving spouse of an individual described in subsubitem (i) while remaining unmarried, who resides in the house, and who owns the house in fee or for life. Qualified surviving spouse also means the surviving spouse of a member of the armed forces of the United States who was killed in action, or the surviving spouse of a law enforcement officer or firefighter who died in the line of duty as a law enforcement officer or firefighter, as these terms are further defined in Section 23‑23‑10 and Chapter 80, Title 40 ~~who at the time of death owned the house in fee or jointly with the now surviving spouse,~~ if the surviving spouse remains unmarried, resides in the house, and has acquired ownership of the house in fee or for life;

(iv) ‘house’ means a dwelling and the lot on which it is situated classified in the hands of the current owner for property tax purposes pursuant to Section 12‑43‑220(c). However, for an eligible owner that qualifies pursuant to item (1)(e), ‘house’ means a dwelling that is eligible to be classified in the hands of the current owner for property tax purposes pursuant to Section 12‑43‑220(c) except for the ownership requirement.”

SECTION 2. A. Section 12‑39‑250(B) of the 1976 Code is amended to read:

“(B) Notwithstanding any other provision of law, the county tax assessor or the County Board of Assessment Appeals, upon application of the taxpayer, must order the County Auditor to make appropriate adjustments in the valuation and assessment of any real property and improvements which have sustained damage as a result of fire, flooding, hurricane, or wind event provided, that the application for correction of the assessment is made prior to payment of the tax.”

B. Section 12-37-220(B)(14) of the 1976 Code is amended to read:

“(14) all farm buildings and agricultural structures owned by a producer in this State used to house livestock, poultry, crops, farm equipment, or farm supplies and all farm machinery and equipment including self‑propelled farm machinery and equipment except for motor vehicles licensed for use on the highways. For the purpose of this section ‘self‑propelled farm machinery and equipment’ means farm machinery or equipment which contains within itself the means for its own locomotion. For purposes of this item, farm equipment includes greenhouses;”

C. Section 12‑37‑220(B)(10) of the 1976 Code is amended to read:

“(10)(a) notwithstanding any other provisions of law, the property of telephone companies and rural telephone cooperatives operating in this State used in providing rural telephone service, which was exempt from property taxation as of December 31, 1973, shall be exempt from such property taxation; provided, however, that the amount of property subject to ad valorem taxation of any such company or cooperative in any tax district shall not be less than the net amount to which the tax millage was applied for the year ending December 31, 1973. Any property in any tax district added after December 31, 1973, shall likewise be exempt from property taxation in the proportion that the exempt property of such company or cooperative as of December 31, 1973, in that tax district was to the total property of such company or cooperative as of December 31, 1973, in that tax district;

(b) The exemption authorized by subitem (a) applies to all such property of telephone companies and rural telephone cooperatives operating in this State used in providing telephone service, as defined in Section 33‑46‑20, in rural areas, including mixed‑use property, without regard to:

(i) the extent to which such property is used in providing services in addition to telephone service in rural areas; and

(ii) the technology used including, but not limited to, the provision of broadband over a high‑speed Internet connection that allows the customer to access basic voice grade local service from the voice provider of the customer’s choice;”

D. This SECTION takes effect upon approval by the Governor and applies to property tax years beginning after 2021.

SECTION 3. A. Section 56-3-1490 of the 1976 Code, as added by Act 38 of 2021, is amended to read:

“(B) The qualifying service member or veteran must be one of the registrants of the vehicle. No more than three license plates may be issued to the award recipient. License plates for medals specified in subsection (A) are ~~subject to~~ exempt from the regular motor vehicle registration fee contained in Article 5, Chapter 3, Title 56 ~~but no additional specialty plate fee~~. These special license plates must be issued or revalidated for a biennial period which expires twenty‑four months from the month they are issued.”

B. Any registration fees collected pursuant to Section 56-3-14940 from May 6, 2022, until the effective date of this act must be refunded by the Department of Motor Vehicles.

SECTION 4. The General Assembly finds:

(1) the rural telephone exemption found in Section 12‑37‑220(B)(10) of the 1976 Code provides an exemption from property taxation for property “used in providing rural telephone service. . .;”

(2) the General Assembly intends to clarify existing law by amending Section 12-37-220(B)(10) in this legislation to provide that the exemption for property “used in providing telephone service” applies to all property used for such purposes, regardless of technology or whether it also may be used for other purposes;

(3) there are various other existing exemptions in the 1976 Code where the General Assembly qualifies the term “use” or “used” by including “exclusively,” “primarily,” “solely,” or “substantially,” or where the General Assembly limits the exemption for “dual purpose” property by requiring an allocation; and

(4) the exemption found in Section 12‑37‑220(B)(10) has never been and is not qualified or limited in any manner.

SECTION 5. A. Section 12‑36‑2110(A)(1)(e) of the 1976 Code is amended to read:

“(e) trailer or semitrailer, pulled by a truck tractor, as defined in Section 56‑3‑20, livestock trailers, and horse trailers, but not including house trailers or campers as defined in Section 56‑3‑710 or a fire safety education trailer;”

B. This SECTION takes effect January 1, 2022. For any sale of livestock trailers in this State occurring on January 1, 2022, and until the effective date of this act for which the full amount of sales tax was paid, the purchaser may claim an income tax credit equal to the difference of the amount of the sales tax paid and the applicable maximum tax.

SECTION 6. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3710. (A) For tax years beginning after 2021, there is allowed a tax credit for any taxpayer that hires a formerly incarcerated individual, after 2021 but before 2027, as a new employee in a registered apprenticeship program that has been validated by the United States Department of Labor. An employer who has one or more eligible employees is eligible to apply for and receive a credit against the taxes set forth in subsection (B). In the first year in which the credit is earned pursuant to subsection (D), the amount of the credit is three thousand dollars for each eligible employee. If the eligible employee remains employed and otherwise meets the requirements of this section thereafter, the credit is two thousand five hundred dollars in the second year, and one thousand dollars in the third year. The credit may not be claimed beyond the third year.

(B) The credit allowed pursuant to this section may be taken against the income taxes imposed pursuant to this chapter, the bank tax imposed pursuant to Chapter 11 of this title, the savings and loan association tax imposed pursuant to Chapter 13 of this title, the corporate license tax imposed pursuant to Chapter 20 of this title, and insurance premium taxes imposed pursuant to Chapter 7, Title 38.

(C) The total amount of the tax credit for a taxable year may not exceed the taxpayer’s tax liability. Any unused credit may not be carried over to apply to the taxpayer’s succeeding year’s liability.

(D)(1) The tax credit is earned in the year in which the formerly incarcerated individual first completes the twelfth consecutive month of employment with the taxpayer. The credit is earned in the same manner and on the same schedule in the second and third year of employment.

(2) The tax credit allowed by this section only may be claimed for an eligible individual once, regardless of the employer. The department shall consult with the Department of Commerce, Apprenticeship Carolina of the South Carolina Technical College System, and any other agency or entity necessary to establish a process by which employers are aware of an individual’s eligibility for the credit allowed by this section.

(E) Notwithstanding any other provision of this section, the credit allowed by this section only may be claimed if the formerly incarcerated individual is hired by the employer, after 2021 but before 2027, as a new employee in the registered apprenticeship program. If the individual is hired before 2027, then the employer may claim the credit for each year the individual is eligible and on the same schedule as provided in this section.

(F) The department may prescribe forms and promulgate regulations necessary to implement the provisions of this section, including requiring the necessary documentation to prove eligibility.

(G) Nothing in this section may be construed to allow an employer to claim this credit for a formerly incarcerated individual if the individual was hired before 2022.

(H) For purposes of this section:

(1) ‘Full‑time’ has the same meaning as provided in Section 12‑6‑3360.

(2) ‘Incarcerated individual’ means an individual that, within three years of being hired in a qualifying apprenticeship program, was held in a state or county prison, jail, or detention center for at least ninety consecutive days, but does not include an individual incarcerated for a violent crime set forth in Section 16‑1‑60, unless such individual received a pardon for the offense or unless the only disqualifying violent crime resulted in a sentence of ten years or less under Section 44‑53‑370(E) or Section 44‑53‑375(C).

Section 12‑6‑3720. (A) For tax years beginning after 2021, there is allowed a tax credit for any taxpayer that hires a veteran of the Armed Forces of the United States, after 2021 but before 2027, as a new employee in a registered apprenticeship program that has been validated by the United States Department of Labor. An employer who has one or more eligible employees is eligible to apply for and receive a credit against the taxes set forth in subsection (B). In the first year in which the credit is earned pursuant to subsection (D), the amount of the credit is three thousand dollars for each eligible employee. If the eligible employee remains employed and otherwise meets the requirements of this section thereafter, the credit is two thousand five hundred dollars in the second year, and one thousand dollars in the third year. The credit may not be claimed beyond the third year.

(B) The credit allowed pursuant to this section may be taken against the income taxes imposed pursuant to this chapter, the bank tax imposed pursuant to Chapter 11 of this title, the savings and loan association tax imposed pursuant to Chapter 13 of this title, the corporate license tax imposed pursuant to Chapter 20 of this title, and insurance premium taxes imposed pursuant to Chapter 7, Title 38.

(C) The total amount of the tax credit for a taxable year may not exceed the taxpayer’s tax liability. Any unused credit may not be carried over to apply to the taxpayer’s succeeding year’s liability.

(D)(1) The tax credit is earned in the year in which the veteran first completes the twelfth consecutive month of employment with the taxpayer. The credit is earned in the same manner and on the same schedule in the second and third year of employment.

(2) The tax credit allowed by this section only may be claimed for an eligible individual once, regardless of the employer. The department shall consult with the Department of Commerce, Apprenticeship Carolina of the South Carolina Technical College System, and any other agency or department necessary to establish a process by which employers are aware of an individual’s eligibility for the credit allowed by this section.

(E) Notwithstanding any other provision of this section, the credit allowed by this section only may be claimed if the veteran is hired, after 2021 but before 2027, by the employer as a new employee in the registered apprenticeship program. If the individual is employed before 2027, then the employer may claim the credit for each year the individual is eligible and on the same schedule as provided in this section.

(F) The department may prescribe forms and promulgate regulations necessary to implement the provisions of this section, including requiring the necessary documentation to prove eligibility.

(G) Nothing in this section may be construed to allow an employer to claim this credit for a veteran if the veteran was hired before the effective date of this section.

(H) For purposes of this section:

(1) ‘Full‑time’ has the same meaning as provided in Section 12‑6‑3360.

(2) ‘Veteran’ means a person who served on active duty in the armed forces of the United States and who, within three years of being hired in a qualifying apprenticeship program, was honorably discharged or released from such service due to a service‑connected disability.”

SECTION 7. Section 12‑36‑2630(2) of the 1976 Code is amended to read:

“(2) a one percent tax, which must be credited as provided in Section 59‑21‑1010(B). The one percent tax specified in this item (2) does not apply to sales to an individual ~~eighty‑five~~ seventy-eight years of age or older purchasing tangible personal property for his own personal use, if at the time of sale, the individual requests the one percent exclusion from tax and provides the retailer with proof of age; and”

SECTION 8. Article 9, Chapter 36, Title 12 of the 1976 Code is amended by adding:

“Section 12-36-922. For each accommodations tax return filed with multiple locations, the filer also must provide electronically the location information by address and the amount of net taxable sales for each location.”

SECTION 9. This act takes effect upon approval by the Governor.

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