**South Carolina General Assembly**

126th Session, 2025-2026

**S. 556**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Verdin

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Introduced in the Senate on April 15, 2025

Currently residing in the Senate Committee on **Finance**

Summary: Renewable Natural Gas

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 4/15/2025 Senate Introduced and read first time (Senate Journal‑page 10)

 4/15/2025 Senate Referred to Committee on **Finance** (Senate Journal‑page 10)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=556&session=126&summary=B)  at the website

**VERSIONS OF THIS BILL**

[04/15/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/556_20250415.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12‑6‑3830 SO AS TO PROVIDE FOR A TAX CREDIT FOR RENEWABLE NATURAL GAS.

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

SECTION 1. Article 25, Chapter 6, Title 12 of the S.C. Code is amended by adding:

 Section 12‑6‑3830. (A) For the purposes of this section:

 (1) “Commercial use” means a use intended for the purpose of generating a profit.

 (2) “Equipment” means equipment and facilities used to collect and process landfill gas into renewable natural gas and transport and inject renewable natural gas into a natural gas transmission pipeline system. Equipment includes utility facilities owned by the taxpayer dedicated for use with a renewable natural gas production facility.

 (3) “Renewable natural gas” means natural gas derived from landfill gas, also known as biomethane, which has been upgraded to a quality similar to fossil natural gas and has a methane concentration of ninety percent or greater.

 (B) For taxable years beginning after 2025 and ending before taxable year 2032, there is allowed a credit against the income tax imposed pursuant to Section 12‑6‑530 or license fees imposed pursuant to Section 12‑20‑50, or both, for twenty‑five percent of the costs incurred by a taxpayer for the purchase and installation of equipment used to produce renewable natural gas for commercial purposes. Costs incurred by a taxpayer and qualifying for the credit allowed by this section must be certified as having been incurred by the State Energy Office. The credit may be claimed in the year in which the equipment is placed in service and may be claimed for all expenditures incurred for the purchase and installation of the equipment, including related engineering, permitting, and other necessary services.

 (C) A taxpayer may use up to twenty‑five percent, or five million dollars, whichever is less, of credit for a single taxable year. The tax credit is nonrefundable, but unused credits earned prior to the end of 2028 may be carried forward for fifteen years from the year in which they were earned. The credit under this section may be transferred by the taxpayer to another person who is eligible to utilize the tax credit and who will then be subject to the same requirements within this section.

 (D) A taxpayer must submit a request for the credit to the State Energy Office no later than January thirty‑first for all qualifying equipment placed in service in the previous calendar year. Within thirty days of receiving a request for the credit, the State Energy Office must notify the taxpayer whether the taxpayer qualifies for the credit and, if so, the amount of credit allocated to the taxpayer. A taxpayer may claim the maximum amount of the credit for its taxable year that contains the December thirty‑first of the previous calendar year. The Department of Revenue may require any documentation that it deems necessary to administer the credit.

SECTION 2. This act takes effect upon approval by the Governor.

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