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AMENDED

May 26, 2010

**S. 717**

Introduced by Senators Coleman, Setzler, Land, Campbell and Hayes

S. Printed 5/26/10--H.

Read the first time February 16, 2010.

## **A BILL**

TO AMEND SECTIONS 12-36-2120 AND 12-37-220, BOTH AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SALES TAX EXEMPTIONS AND PROPERTY TAX EXEMPTIONS, SO AS TO EXEMPT MACHINERY, EQUIPMENT, BUILDING AND OTHER RAW MATERIALS, AND ELECTRICITY USED BY A FACILITY OWNED BY A TAX EXEMPT ORGANIZATION INVESTING AT LEAST TWENTY MILLION DOLLARS OVER THREE YEARS IN THE FACILITY WHEN THAT FACILITY IS USED PRINCIPALLY FOR RESEARCHING AND TESTING THE IMPACT OF NATURAL HAZARDS SUCH AS WIND, FIRE, EARTHQUAKE, AND HAIL ON BUILDING MATERIALS USED IN RESIDENTIAL, COMMERCIAL, AND AGRICULTURAL BUILDINGS.

Amend Title To Conform

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

SECTION 1. Section 12-36-2120 of the 1976 Code, as last amended by Act 338 of 2008, is further amended by adding a new item at the end appropriately numbered to read:

"() machinery and equipment, building and other raw materials, and electricity used in the operation of a facility owned by an organization which qualifies as a tax exempt organization pursuant to the Internal Revenue Code Section 501(c)(3) when the facility is principally used for researching and testing the impact of such natural hazards as wind, fire, water, earthquake, and hail on building materials used in residential, commercial, and agricultural buildings. To qualify for this exemption, the taxpayer shall notify the department of its intent to qualify and shall invest at least twenty million dollars in real or personal property at a single site in this State over the three-year period beginning on the date provided by the taxpayer to the department in its notices. After the taxpayer notifies the department of its intent to qualify and use the exemption, the department shall issue an appropriate exemption certificate to the taxpayer to be used for qualifying purposes. Within six months of the third anniversary of the taxpayer's first use of the exemption, the taxpayer shall notify the department in writing that it has met the twenty million dollar investment requirement or, that it has not met the twenty million dollar investment requirement. The department may assess any tax due on the machinery and equipment purchased tax free pursuant to this item but due the State as a result of the taxpayer's failure to meet the twenty million dollar investment requirement. The running of the periods of limitations for assessment of taxes provided in Section 12-54-85 is suspended for the time period beginning with notice to the department before the taxpayer uses the exemption and ending with notice to the department that the taxpayer either has met or has not met the twenty million dollar investment requirement."

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

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