

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

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4 INTRODUCED

5 March 29, 2011

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S. 533

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9 Introduced by Senators Coleman, Reese and Ford

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11 S. Printed 3/29/11--H.

12 Read the first time March 29, 2011.

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9 **A BILL**

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11 TO AMEND SECTION 12362120, AS AMENDED, CODE OF
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE
13 REQUIREMENTS FOR A SALES TAX EXEMPTION OF
14 CERTAIN ITEMS FOR CERTAIN FACILITIES RESEARCHING
15 AND TESTING THE IMPACT OF NATURAL DISASTERS, SO
16 AS TO PROVIDE THAT THE QUALIFYING INVESTMENT OF
17 AT LEAST TWENTY MILLION DOLLARS MAY BEGIN AT
18 ANY TIME PERIOD AFTER JANUARY 1, 2009, AND ALL OR
19 A PORTION MAY OCCUR BEFORE THE TAXPAYER
20 NOTIFIES THE DEPARTMENT OF REVENUE OF ITS
21 INTENTION.

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

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26 SECTION 1. Section 12362120(78) of the 1976 Code, as added
27 by Act 280 of 2010, is amended to read:

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29 “(78) machinery and equipment, building and other raw
30 materials, and electricity used in the operation of a facility owned
31 by an organization which qualifies as a tax exempt organization
32 pursuant to the Internal Revenue Code Section 501(c)(3) when the
33 facility is principally used for researching and testing the impact of
34 such natural hazards as wind, fire, water, earthquake, and hail on
35 building materials used in residential, commercial, and agricultural
36 buildings. To qualify for this exemption, the taxpayer shall notify
37 the department of its intent to qualify and shall invest at least
38 twenty million dollars in real or personal property at a single site in
39 this State over the threeyear period beginning on the date provided
40 by the taxpayer to the department in its notices. The qualifying
41 investment of at least twenty million dollars may begin at any time
42 period after December 31, 2008, and all or a portion may occur

1 before the taxpayer provides the notice. After the taxpayer notifies
2 the department of its intent to qualify and use the exemption, the
3 department shall issue an appropriate exemption certificate to the
4 taxpayer to be used for qualifying purposes. Within six months of
5 the third anniversary of the taxpayer's first use of the exemption,
6 the taxpayer shall notify the department in writing that it has met
7 the twenty million dollar investment requirement or, that it has not
8 met the twenty million dollar investment requirement. The
9 department may assess any tax due on the machinery and
10 equipment purchased tax free pursuant to this item but due the
11 State as a result of the taxpayer's failure to meet the twenty million
12 dollar investment requirement. The running of the periods of
13 limitations for assessment of taxes provided in Section 125485 is
14 suspended for the time period beginning with notice to the
15 department before the taxpayer uses the exemption and ending
16 with notice to the department that the taxpayer either has met or
17 has not met the twenty million dollar investment requirement."

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19 SECTION 2. This act takes effect upon approval by the Governor
20 and applies to any qualifying facility placed in service and to any
21 portion of the requisite capital investment made after December
22 31, 2008.

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