



## Biofuels Statutory Citations

### STATE OF SOUTH CAROLINA

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#).*

*Current through the 2013 Legislative Session of the South Carolina General Assembly.*

#### **§ 12-6-3610. Credit for property used for distribution or dispensing renewable fuel.**

(A)(1) A taxpayer that purchases or constructs and installs and places in service in this State property that is used for distribution or dispensing renewable fuel specified in this subsection, at a new or existing commercial fuel distribution or dispensing facility, is allowed a credit equal to twenty-five percent of the cost to the taxpayer of purchasing, constructing, and installing the property against the taxpayer's liability for a tax imposed pursuant to this chapter.

(2) Eligible property includes pumps, storage tanks, and related equipment that is directly and exclusively used for distribution, dispensing, or storing renewable fuel. A taxpayer is qualified for a tax credit provided pursuant to this subsection if the equipment used to store, distribute, or dispense renewable fuel is labeled for this purpose and clearly identified as associated with renewable fuel.

(3) The entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in three equal annual installments beginning with the taxable year in which the property is placed in service. If, in one of the years in which the installment of a credit accrues, property directly and exclusively used for distributing, dispensing, or storing renewable fuel is disposed of or taken out of service and is not replaced, the credit expires and the taxpayer may not take any remaining installment of the credit.

(4) The unused portion of an unexpired credit may be carried forward for not more than ten succeeding taxable years.

(5) For purposes of this subsection, "renewable fuel" means E70 or greater ethanol fuel dispensed at the retail level for use in motor vehicles and pure ethanol or biodiesel fuel dispensed by a distributor or facility that blends these nonpetroleum liquids with gasoline fuel or diesel fuel for use in motor vehicles.

(B)(1) A taxpayer that constructs and places in service in this State a commercial facility for the production of renewable fuel is allowed a credit equal to twenty-five percent of the cost to the taxpayer of constructing or renovating a building and equipping the facility for the purpose of producing renewable fuel. Production of renewable fuel includes intermediate steps such as milling, crushing, and handling of feedstock and the distillation and manufacturing of the final product.

(2) The entire credit may not be taken for the taxable year in which the facility is placed in service but must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. If, in one of the years in which the installment of a credit accrues, the facility with respect to which the credit was claimed is disposed of or taken out of service, the credit expires and the taxpayer may not take any remaining installment of the credit.

(3) The unused portion of an unexpired credit may be carried forward for not more than ten succeeding taxable years.

(4) As used in this subsection, “renewable fuel” means liquid nonpetroleum-based fuels that may be placed in motor vehicle fuel tanks and used as a fuel in a highway vehicle. It includes all forms of fuel commonly or commercially known or sold as biodiesel and ethanol.

(5) A taxpayer that claims any other credit allowed under this article with respect to the costs of constructing and installing a facility may not take the credit allowed in this section with respect to the same costs.

(C)(1) To obtain the amount of credit available to a taxpayer, the taxpayer must submit a request for credit to the State Energy Office by January thirty-first for all qualifying property or a qualifying facility, as applicable, placed in service in the previous calendar year and the State Energy Office must notify the taxpayer that it qualifies for the credit and the amount of credit allocated to the taxpayer by March first of that year. A taxpayer may claim the credit for its taxable year which 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.

(2) For the state’s fiscal year beginning July 1, 2008, the credit is to be determined based on an eighteen-month period beginning July 1, 2008, through December 31, 2009. Applications are to be made by January 31, 2010, for the previous eighteen-month period commencing July 1, 2008, and ending December 31, 2009. A taxpayer allocated a credit for this eighteen-month period may claim the credit for its tax year which contains December 31, 2009.

(D) To claim the credits allowed in this section, the taxpayer must place the property or facility in service prior to January 1, 2020.

**Credits HISTORY:** [2006 Act No. 386, § 36.B.1, eff June 14, 2006](#) applicable for facilities placed in service after 2006; [2007 Act No. 83, § 15.A, eff January 1, 2008](#); [2008 Act No. 261, § 3.B, eff May 29, 2008](#).