

South Carolina General Assembly
124th Session, 2021-2022

NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.

(R77, S677)

AN ACT TO AMEND SECTION [12-2-100](#), CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO TAX CREDITS, SO AS TO PROVIDE FOR THE ALLOCATION OF A TAX CREDIT OR UNUSED CREDIT AMOUNT CARRIED FORWARD THAT IS EARNED BY A PARTNERSHIP OR LIMITED LIABILITY COMPANY TAXED AS A PARTNERSHIP.

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

Tax credits allocation

SECTION 1. Section [12-2-100](#) of the 1976 Code is amended to read:

"Section [12-2-100](#). (A) Unless otherwise provided by law, a tax credit administered by the department must be used in the year it is generated and must not be refunded.

(B) A tax credit earned by a partnership or limited liability company taxed as a partnership pursuant to Sections [12-6-3535](#), [12-6-3795](#), or [12-65-10](#), including any unused credit amount carried forward, may be passed through to the partners or members and may be allocated among any of its partners or members on an annual basis, including, without limitation, an allocation of the entire credit to any partner or member who was a partner or member at any time in the year in which the credit or unused carryforward was allocated. The allocation must be allowed without regard to any provision of the Internal Revenue Code, or regulation promulgated pursuant to it, that may be interpreted as contrary to the allocation, including, without limitation, the treatment of the allocation as a disguised sale."

Time effective

SECTION 2. This act takes effect upon approval by the Governor and applies to a qualified project in service after January 1, 2020, but before December 31, 2030, if the project is issued an eligibility statement after May 14, 2020.

Ratified the 13th day of May, 2021.

President of the Senate

Speaker of the House of Representatives

Approved the _____ day of _____ 2021.

Governor

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