

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

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4 AMENDED

5 May 8, 2019

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## S. 440

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Introduced by Senators Talley and Reese

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11 S. Printed 5/8/19--H.

[SEC 5/9/19 10:48 AM]

12 Read the first time March 20, 2019.

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**A BILL**

11 TO AMEND SECTION 12-65-20(4) AND (8) OF THE 1976  
12 CODE, RELATING TO DEFINITIONS FOR THE SOUTH  
13 CAROLINA TEXTILES COMMUNITIES REVITALIZATION  
14 ACT, TO PROVIDE THAT A CERTAIN CAP ON  
15 REHABILITATION EXPENSES ONLY APPLIES TO CERTAIN  
16 REHABILITATED BUILDINGS ON CONTIGUOUS PARCELS.

17 Amend Title To Conform

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

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22 SECTION 1. Section 12-65-20(4) and (8) of the 1976 Code is  
23 amended to read:

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25 “(4)(a) ‘Textile mill site’ means the textile mill together with the  
26 land and other improvements on it which were used directly for  
27 textile manufacturing operations or ancillary uses. However, the  
28 area of the site is limited to the land located within the boundaries  
29 where the textile manufacturing, dying, or finishing facility  
30 structure is located and does not include land located outside the  
31 boundaries of the structure or devoted to ancillary uses.

32 (b) Notwithstanding the provisions of ~~this~~ item (4)(a), with  
33 respect to (i) any site acquired by a taxpayer before January 1, 2008,  
34 (ii) a site located on the Catawba River near Interstate 77, or (iii) a  
35 site which, on the date the notice of intent to rehabilitate is filed, is  
36 located in a distressed area of a county in this State, as designated  
37 by the applicable council of government, ~~the textile mill site~~  
38 ~~includes~~ ‘textile mill site’ means the textile mill structure, together  
39 with all land and improvements which were used directly for textile  
40 manufacturing operations or ancillary uses, or were located on the  
41 same parcel or a contiguous parcel within one thousand feet of any  
42 textile mill structure or ancillary uses. For purposes of this ~~item~~

1 subitem, ‘contiguous parcel’ means any separate tax parcel sharing  
2 a common boundary with an adjacent parcel or separated only by a  
3 private or public road.

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5 (8)(a) ‘Rehabilitation expenses’ means the expenses or capital  
6 expenditures incurred in the rehabilitation, renovation, or  
7 redevelopment of the textile mill site, including without limitations,  
8 the demolition of existing buildings, environmental remediation,  
9 site improvements and the construction of new buildings and other  
10 improvements on the textile mill site, but excluding the cost of  
11 acquiring the textile mill site or the cost of personal property located  
12 at the textile mill site. For expenses associated with a textile mill site  
13 to qualify for the credit, the textile mill and buildings on the textile  
14 mill site must be either renovated or demolished. ~~Rehabilitation~~  
15 ~~expenses associated with new or rehabilitated buildings on a textile~~  
16 ~~mill site that increases the amount of square footage of the buildings~~  
17 ~~that existed on the site by more than two hundred percent must not~~  
18 ~~be considered a rehabilitation expense for the purpose of calculating~~  
19 ~~the credit.~~

20 (b) Notwithstanding subitem (a), for the purpose of  
21 calculating the credit with regard to new or rehabilitated buildings  
22 on ‘contiguous parcels’ pursuant to item (4)(b), ‘rehabilitation  
23 expenses’ do not include expenses that increase the amount of  
24 square footage of the buildings that existed on that contiguous parcel  
25 immediately preceding the time at which the textile mill became  
26 abandoned by more than two hundred percent.”

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28 SECTION 2. A. Notwithstanding Section 1 of Act 265 of 2018, and  
29 Section 1.B. of Act 57 of 2013, upon the repeal of Chapter 67, Title  
30 12 of the 1976 Code, any carryforward credits shall continue to be  
31 allowed until the five or eight year time period in Section 12-67-140  
32 is completed.

33 B. Chapter 67, Title 12 of the 1976 Code is amended by adding:  
34 “Section 12-67-170. Notwithstanding any other provision of  
35 this chapter, if a taxpayer files a notice of intent to rehabilitate and  
36 has been rehabilitating an abandoned building continuously for the  
37 preceding year and is more than sixty percent complete, then the  
38 taxpayer must be allowed to extend the placed in service date until  
39 ninety days after completion of construction, provided construction  
40 continues diligently until that date. Nothing in this section may be  
41 construed to allow a taxpayer to earn a credit allowed by this chapter  
42 before the applicable phase or portion of the building site is placed  
43 in service.”

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SECTION 3. This act takes effect upon approval by the Governor  
and first applies to tax years beginning after 2017.

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