Alternative Fuel Property Credit Computation

1. Cost incurred in purchasing, constructing and installing eligible alternative fuel property for distribution, dispensing or storage at a new or existing facility in South Carolina during the tax year owned by the taxpayer.................................................. 1. $ ____________

2. Maximum credit amount. Multiply line 1 by 25% (0.25).......................................................................................... 2. $ ____________

3. Line 2 divided by 3. This credit must be taken in 3 equal installments................................................................. 3. $ ____________

4. Amounts carried forward from prior years............................................................................................................. 4. $ ____________

5. Add lines 3 and 4.................................................................................................................................................. 5. $ ____________

6. Current year tax liability........................................................................................................................................ 6. $ ____________

7. Enter the lesser of line 5 or line 6. This is your current year credit. Enter this amount on the appropriate tax credit schedule.................................................................................................................. 7. $ ____________

8. Line 5 minus line 7. Unused credits may be carried forward for up to 10 years.................................................. 8. $ ____________

General Information

Code Section 12-6-3695 provides a tax credit for tax years beginning after 2015 for a taxpayer who purchases or constructs, installs, and places in service in this State eligible property that is used for distribution, dispensing, or storing alternative fuel specified in this subsection, at a new or existing fuel distribution or dispensing facility, is allowed an income tax credit equal to twenty-five percent of the cost to the taxpayer of purchasing, constructing, and installing the eligible property.

The entire credit may not be taken in 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 alternative fuel is disposed of or taken out of service and is not replaced, the credit expires and the taxpayer may not claim any remaining installment of the credit.

The unused portion of an unexpired credit may be carried forward for not more than ten succeeding taxable years. The taxpayer may transfer any applicable credit associated with this section. To the extent that the taxpayer transfers the credit, the taxpayer must notify the department in the manner the department prescribes.

A taxpayer who claims any other credit allowed pursuant to 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. The Department of Revenue may require documentation that it considers necessary to administer the credit.

To claim the credits allowed in this section, the taxpayer must place the property or facility in service before January 1, 2026.

Definitions:

1. 'Eligible property' includes pumps, compressors, storage tanks, and related equipment that is directly and exclusively used for distribution, dispensing, or storing alternative fuel. The equipment used to store, distribute, or dispense alternative fuel must be labeled for this purpose and clearly identified as associated with alternative fuel.

2. 'Alternative fuel' means compressed natural gas, liquefied natural gas, or liquefied petroleum gas, dispensed for use in motor vehicles and compressed natural gas, liquefied natural gas, or liquefied petroleum gas, dispensed by a distributor or facility.
3. 'Taxpayer' means any sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity. Also, the word 'taxpayer' includes the State or any agency or instrumentality, authority, or political subdivision, including municipalities."

NOTE: If filing a paper return, attach to your Income Tax Return. If filing electronically keep a copy with your tax records.

Social Security Privacy Act Disclosure
It is mandatory that you provide your social security number on this tax form if you are an individual taxpayer. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act
Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.