



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 12265, Columbia, South Carolina 29211

SC INFORMATION LETTER #19-18

SUBJECT: Energy Efficient Manufactured Homes – Expiration of Sales and Use Tax Exemption and Extension of Income Tax Credit (Sales and Use Tax, Income Tax)

DATE: June 28, 2019

REFERENCES: Act No. 91 of 2019, Part IB, Section 73, Proviso 73.6
S.C. Code Ann. Section 12-36-2110(B) (2014)
S.C. Code Ann. Section 48-52-870 (Supp. 2018)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (2005)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

In 2008, the General Assembly provided financial incentives for the purchase and installation of certain energy efficient manufactured homes¹ in South Carolina.² These incentives, a sales and use tax exemption and an income tax credit, were effective from July 1, 2009 through July 1, 2019. The “Energy Efficient Manufactured Homes Incentive Program,” which includes the income tax credit in Code Section 48-52-870, is administered by the South Carolina Energy Office.

The purpose of this Information Letter is to announce the expiration of the sales and use tax exemption and the extension of the income tax credit.

¹ See Code Section 40-29-20 for the definition of manufactured home.

² See Act No. 354 of 2008.

SALES AND USE TAX EXEMPTION

Sales and Use Tax Exemption. Code Section 12-36-2110(B) was amended in 2008 to allow a total sales and use tax exemption on the sale of a manufactured home designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy saving efficiency requirements or designated as meeting or exceeding such requirements under each agency's ENERGY STAR program.

Expiration of Total Sales and Use Tax Exemption. Beginning July 2, 2019, sales of manufactured homes meeting or exceeding the energy efficiency requirements or designations of the United States Environmental Protection Agency and the United States Department of Energy are no longer exempt and will be subject to the sales and use tax.

Note: South Carolina law provides special rules for applying the maximum sales and use tax to sales of manufactured homes. See Code Section 12-36-2110(B) for a description of continuing energy efficiency standards and for the specific calculation of the maximum sales and use tax.

INCOME TAX CREDIT

Income Tax Credit. Code Section 48-52-870 was added in 2008 to provide a \$750 nonrefundable income tax credit to any person who purchases from a retail dealership licensed by the South Carolina Manufactured Housing Board for use in South Carolina a manufactured home designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy saving efficiency requirements or designated as meeting or exceeding such requirements under each agency's ENERGY STAR program.

Extension of Income Tax Credit. During the 2019 legislative session, the General Assembly extended the income tax credit into fiscal year July 1, 2019 through June 30, 2020. The income tax credit will expire on July 1, 2020, unless reenacted in the next legislative session.³

³ See Act No. 91 of 2019, Part IB, Section 73, Proviso 73.6.