



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 #24-5

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

**DATE:** May 14, 2024

**REFERENCES:** 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 enacted a sales and use tax exemption and an income tax credit as financial incentives for the purchase and installation of certain energy efficient manufactured homes in South Carolina. S.C. Code Ann. §§ 12-36-2210(B) and 48-52-870. The exemption and the credit were both effective beginning July 1, 2009, and were originally set to expire on July 1, 2019. In 2020, however, the General Assembly extended the expiration date for both the exemption and the credit to July 1, 2024.

This Information Letter gives notice that the sales and use tax exemption and the income tax credit are expiring on July 1, 2024, and will no longer be available for use as of July 2, 2024.

**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. Although that exemption originally expired in 2019, it was extended until July 1, 2024.

Expiration of Total Sales and Use Tax Exemption. Beginning July 2, 2024, 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. South Carolina law provides special rules for calculating the sales and use tax on sales of manufactured homes. Please consult 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 a manufactured home from a retail dealership licensed by the South Carolina Manufactured Housing Board for use in South Carolina if the manufactured home was 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 Income Tax Credit. During the 2020 legislative session, the General Assembly amended Code Section 48-52-870 to extend the income tax credit until July 1, 2024. The income tax credit has not been extended again. Therefore, beginning July 2, 2024, the income tax credit is no longer available based on the purchase of a previously qualifying manufactured home.