

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** February 3, 2011

**Bill Number:** S.B. 190

**Authors:** Coleman

**Committee Requesting Impact:** Senate Finance Committee

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### Bill Summary

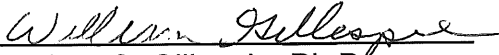
To amend Section 12-6-3600, as amended, Code of Laws of South Carolina, 1976, relating to the state income tax credit allowed for ethanol and biodiesel facilities, so as to extend for four years through 2020 the taxable years in which the credit is allowed for corn-based ethanol and soy-based biodiesel and to extend through 2020 the time in which the facility must meet the minimum capacity requirements to be eligible for the credit and to prohibit a double credit.

### REVENUE IMPACT <sup>1/</sup>

This bill will have no impact on General Fund revenue in FY2011-12.

### Explanation

This bill would amend Section 12-6-3600 by extending the taxable years in which the state income tax credit for corn-based ethanol or soy-based biodiesel production facilities can be claimed from before year 2017 to before year 2021. This state income tax credit is equal to twenty cents per gallon of corn-based ethanol or soy-based biodiesel produced by a facility in this state. Currently, the state does not have any operating corn-based ethanol or soy-based biodiesel production facilities. We have been advised that plans have been proposed for these facilities, but the completion of these projects is several years in the future. In making the projection of revenues, the expectation was that a production facility would not be placed in operation in tax year 2011. As a result, the revenue projection would not be impacted in FY2011-12.

  
William C. Gillespie, Ph.D.  
Chief Economist

**Analyst:** Ball

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.