Statement of Estimated State Revenue Impact

Date: March 2, 2011

Bill Number: H.B. 3059

Author: Merrill

Committee Requesting Impact: House Ways and Means

Bill Summary
To amend Section 12-6-3376, Code of Laws of South Carolina, 1976, relating to the income tax credit for plug-in hybrid vehicles, so as to revise the definition of "plug-in hybrid vehicle", to raise the aggregate amount of the credit available each fiscal year and delete its expiration date, and to provide that the credit must be allocated to eligible claimants during a fiscal year on a first-come, first-serve basis.

REVENUE IMPACT
This bill would have no impact on General Fund income tax revenues in FY2011-12.

Explanation
This bill amends Section 12-6-3376 by revising the definition of a plug-in hybrid vehicle, deleting the 2011 expiration date of the plug-in hybrid vehicle income tax credit, and increasing the aggregate amount of plug-in hybrid vehicle income tax credits that may be claimed in a fiscal year from two hundred thousand dollars to five hundred thousand dollars. The plug-in hybrid vehicle income tax credit is equal to two thousand dollars per vehicle. According to the Department of Revenue, ten taxpayers claimed the plug-in hybrid vehicle income tax credit for a total of $18,910 in credits in FY2008-09. Because the maximum amount of credits available each fiscal year was not met, we do not anticipate that an increase in the aggregate amount of credits available each fiscal year will encourage more claimants of the plug-in hybrid vehicle income tax credit. We, therefore, estimate that this bill will have no impact on General Fund income tax revenues in FY2011-12.

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Ball

1 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(8) for an estimate of the shift in local property tax incidence by the Office of Economic Research.