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10/21/2013



South Carolina

Incentives/Policies for Renewables & Efficiency

Solar Energy and Small Hydropower Tax Credit (Personal)

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Last DSIRE Review: 10/12/2012

Program Overview:

State:	South Carolina
Incentive Type:	Personal Tax Credit
Eligible Renewable/Other Technologies:	Solar Water Heat, Solar Space Heat, Photovoltaics, Solar Cooling, Daylighting, Small Hydroelectric
Applicable Sectors:	Commercial, Residential
Amount:	25% of eligible costs
Maximum Incentive:	In any given tax year, \$3,500, or 50% of taxpayer's tax liability for that taxable year, whichever is less
Equipment Requirements:	Solar-thermal systems must be certified by SRCC or a comparable entity endorsed by the S.C. Energy Office
Carryover Provisions:	Excess credit may be carried forward up to 10 years
Start Date:	1/1/2006
Web Site:	http://www.energy.sc.gov/index.aspx?m=1&t=5&h...
Authority 1:	S.C. Code § 12-6-3587
Date Enacted:	6/22/2006
Date Effective:	1/1/2006

Summary:

In South Carolina, taxpayers may claim a credit of 25% of the costs of purchasing and installing a solar energy system or small hydropower system for heating water, space heating, air cooling, energy-efficient daylighting, heat reclamation, energy-efficient demand response, or the generation of electricity in a building owned by the taxpayer. Effective July 1, 2009, [SB 1141](#) expanded the scope of this credit to include small hydropower systems. Only hydropower systems installed after July 1, 2009 are eligible for the tax credit.

The maximum credit a taxpayer may take in any one tax year is \$3,500 for each facility or 50% of the taxpayer's tax liability for that taxable year, whichever is less. Unused credit, or credit that exceeds the annual cap, may be carried forward for 10 years.

The term "system" includes "all controls, tanks, pumps, heat exchangers, and other equipment used directly and exclusively for the solar-energy system." The term "system" does not include any land or structural elements of the building, such as walls and roofs, or other equipment ordinarily contained in the structure.

Solar-thermal systems must be certified by the Solar Rating and Certification Corporation (SRCC) or a comparable entity endorsed by the South Carolina Energy Office to qualify for the credit, unless the system was installed before June 19, 2007.

The South Carolina Department of Revenue has issued [forms](#) and instructions for claiming the tax credit.

Contact:

Taxpayer Assistance
South Carolina Department of Revenue
301 Gervais Street
P.O. Box 125
Columbia, SC 29214
Phone: (803) 898-5709
Web Site: <http://www.sctax.org>