

Neil Rashley, Director of Governmental Affairs and Deputy General Counsel at the South Carolina Department of Commerce, will discuss:

Incentives

The South Carolina Department of Commerce's Export Development Division's primary mission is to promote and enhance the export of South Carolina goods. Exports are vital to the state's economic health. The benefits of exporting extend beyond the obvious advantage of profit earnings. In fact, South Carolina was the 21st largest exporter among the 50 states in 2005.

Additionally, to increase the import of goods and the export of South Carolina goods, there are two incentives in South Carolina law:

- S.C. Code § 12-6-2810 allows a taxpayer to defer income taxes attributable to the increase in gross income from foreign trading receipts until the taxpayer intentionally ceases exporting property, or until after three taxable years in which the taxpayer has no gross income from foreign trading receipts: and,
- S.C. Code § 12-6-3375 was recently amended to allow a taxpayer that uses port facilities in this State, and increases its port cargo volume at these facilities by a minimum of five percent in a single calendar year over its base year port cargo volume, a tax credit in the amount determined by the Coordinating Council for Economic Development. The taxpayer must be engaged in manufacturing, warehousing, or distribution.

There are two questions to be addressed today:

1. Do these incentives increase the import of goods and the export of South Carolina goods?
2. Do the incentives have a net negative impact on the state's revenues?