

## Tax Credits for Hydrogen Fuel Cells



***Tax credits are essential to the sustained growth and development of the hydrogen and fuel cell***

***economy in South Carolina.*** Currently, there are two programs offered by the State that help foster this continued growth and development, the *South Carolina Tax Exemption for Hydrogen and Fuel Cells*, and the *Hydrogen Infrastructure Development Fund (HIDF)*.

### SC Tax Exemption

South Carolina offers a sales tax exemption for "any device, equipment, or machinery operated by hydrogen or fuel cells, any device, equipment or machinery used to generate, produce, or distribute hydrogen and designated specifically for hydrogen applications or for fuel cell applications, and any device, equipment, or machinery used predominantly for the manufacturing of, or research and development involving hydrogen or fuel cell technologies."

A sales tax exemption may also be taken on building materials used to construct a new or renovated building or purchases of machinery for a research district. If the exemption is taken on building materials, however, the amount of sales tax that

would be assessed without the exemption must be re-invested by the taxpayer in hydrogen or fuel cell machinery or equipment in the same research district within two years of the original purchase. *S.C. Code § 12-36-2120*

For more information about the SC Tax Exemption, please contact the SC Department of Revenue at 803-896-1420

### Hydrogen Infrastructure Development Fund



South Carolina taxpayers who contribute to the Fund receive a 25% credit against their SC income

tax, license fees or insurance premium tax. Fund contributions will be distributed in the form of grants used to promote the development and deployment of hydrogen production, storage, distribution and dispensing infrastructure to enable the growth of hydrogen and fuel cell technology in South Carolina.

For more information about HIDF, please contact Miriam Wilson with our partner organization, SCRA, at [miriam.wilson@sclaunch.org](mailto:miriam.wilson@sclaunch.org) or 803-343-5311