

GENERAL INSTRUCTIONS

IMPORTANT: Use 2010 version of this form to claim credit for increases in new full-time jobs where the job tax credit was first earned before January 1, 2011. Prior year forms are available at www.dor.sc.gov.

Resources available on our website dor.sc.gov:

- **Advisory Opinions** at Tax Professionals > Law and Policy > Find an Advisory Opinion > Select Tax Category > Income Taxes. Scroll down to the heading "Jobs Tax Credit" including:
 - SC Revenue Ruling #99-5, a comprehensive question and answer advisory opinion about the 1996 version of the new jobs credit
 - SC Revenue Ruling #05-5 defining "expansion"
 - SC Revenue Ruling #07-2 explaining the small business provisions in effect in 2007.
 - Information Letters containing county designations for each year
- **South Carolina Tax Incentives for Economic Development**, which is updated annually, at Tax Professionals > Law and Policy > Policy Manuals and Resources.

Who may claim

For tax years beginning after December 31, 2005, a qualifying taxpayer with 99 or fewer employees worldwide that increases employment by two or more full-time jobs is allowed a credit for not more than five consecutive years, beginning with the year the new full-time jobs are created.

Qualifying taxpayers include those that operate:

- manufacturing, tourism, processing, agricultural packaging, warehousing, distribution, research and development facilities; corporate offices, qualifying service-related facilities, agribusiness operations, extraordinary retail establishments, qualifying technology
- intensive facilities, and banks; and retail facilities and service-related industries located in counties designated as Tier IV.

Credits are not allowed for a tax year in which the new full-time job increase falls below the minimum level of two (2).

Credits may be claimed against corporate or individual income tax, bank tax, or insurance premium tax.

Special requirements for hotels, motels, and certain "qualifying service-related facilities":

The number of jobs that must be created at a hotel or motel is 20 or more.

Certain "qualifying service-related facilities" must create at least:

- 175 jobs at a single location; or
- 150 jobs at a single location comprised of a building or portion of a building that has been vacant for at least 12 consecutive months prior to the taxpayer's investment; or
- 100 jobs at a single location and the jobs have an average cash compensation level of more than 1.5 times the state or county per capita income, whichever is lower; or
- 50 jobs at a single location and the jobs have an average cash compensation level of more than 2 times the state or county per capita income, whichever is lower; or
- 25 jobs at a single location and the jobs have an average cash compensation level of more than 2.5 times the state or county per capita income, whichever is lower.

These special requirements do not apply to:

- "service-related industries" located in Tier IV counties; or
- healthcare-related facilities in NAICS Manual Section 62: subsectors 621 (ambulatory health care), 622 (hospitals), and 623 (residential care facilities).

NOTE: Businesses engaged in legal, accounting, banking, or investment services or retail sales are not "qualifying service-related facilities."

County designations

Beginning January 1, 2011, there are four designations for South Carolina counties, from Tier I (least favorable) through Tier IV (most favorable). County designations are updated each year with equal weight given to the unemployment rate and per capita income. Designations are usually determined in December and effective as of January 1 of the following year.

Amount claimed

If the gross wages of the full-time jobs created are 120% or more of either the county's or the State's per capita income, the initial amount of credit is:

- \$8,000 for each new full-time job created in Tier IV counties;
- \$4,250 for each new full-time job created in Tier III counties;
- \$2,750 for each new full-time job created in Tier II counties; and
- \$1,500 for each new full-time job created in Tier I counties.

If the gross wages are less than 120% of both the county's and State's per capita income, the initial amount of credit is:

- \$4,000 for each new full-time job created in Tier IV counties;
- \$2,125 for each new full-time job created in Tier III counties;
- \$1,375 for each new full-time job created in Tier II counties; and
- \$750 for each new full-time job created in Tier I counties.

Facilities located in a multi-county business or industrial park are allowed an additional \$1,000 credit for each new full-time job created.

Taxpayers with qualifying jobs located on property where a response action has been completed pursuant to a non-responsible party voluntary cleanup contract pursuant to the Brownfields Voluntary Cleanup Program are allowed an additional \$1,000 credit for each new full-time job created. **The additional credit is not allowed to a "responsible party".**

The maximum aggregate credit of job tax credits (TC-4, TC-4SA, and TC-4SB) and employer tax credits (TC-12 and TC-12A) that may be claimed in any tax year for a single employee is \$5,500, except for employees in Tier IV counties.

The number of new and additional new full-time jobs is determined by comparing the monthly average number of full-time employees subject to South Carolina income tax withholding in the applicable county for the tax year with the monthly average number in the prior tax year. To calculate the monthly average number of full-time employees in the first year of operation in this State, a taxpayer may use the actual months in operation or a full 12-month period. If a taxpayer's business is in operation for less than 12 months in a year, the number of new and additional new full-time jobs is determined using the monthly average for the months the business is in operation.

After qualifying for this credit, the taxpayer may obtain credit for additional new full-time jobs created in Years 2 through 6 for up to five years each, beginning with the tax year in which the job is created. A taxpayer may claim credit only for job levels maintained in the tax year that the credit is claimed. No credit is allowed if the net employment increase for that taxpayer falls below two (2).

Credit transfer

A taxpayer merger, consolidation or reorganization, where tax attributes survive, does not create new eligibility in the succeeding taxpayer. Unused job tax credits may be transferred and continued by the succeeding taxpayer subject to the limitations of Section 12-6-3320. When one taxpayer transfers all or substantially all of the assets of its trade or business or operating division to a second taxpayer, the first taxpayer may assign its related right to credit to the second taxpayer, as long as the required number of new jobs for that amount of credit is maintained.

Flow-through

A partnership, S corporation or limited liability company (LLC) taxed as a partnership or S corporation may pass through the credit earned to each shareholder, partner or member. The credit earned by an S corporation owing corporate level income tax must be used first at the entity level. Only the remaining credit passes through to each shareholder.

The allocation of credit to a shareholder, partner or member must equal the percentage of shareholder's stock or partner's or member's interest for the tax year multiplied by the amount of the credit earned by the entity. The entity earning the credit may not carry over credit that passes through to its shareholders, partners, or members.

Amount used

The amount of credit used in a year may not exceed 50% of the taxpayer's South Carolina income tax, bank tax, or insurance premium tax liability. For credit earned by and flowing through a partnership, S corporation or LLC taxed as a partnership or S corporation, the credit may not exceed 50% of the shareholder's, partner's, or member's corporate or individual income tax or bank tax liability.

Carryforward

Unused credits may be carried forward for 15 years. Credits carried forward must be used in the order claimed. Credits earned by and flowing through a partnership, S corporation or LLC taxed as a partnership or S corporation may be carried forward by the partner, shareholder or member for 15 years from the close of the tax year in which the credit is earned by the S corporation, partnership, or LLC. Taxpayers claiming this credit and a corporate tax moratorium may carry forward unused amounts until after the moratorium period expires.

Definitions

- **"Taxpayer"** means a sole proprietor, partnership, corporation of any classification, LLC, or association taxable as a business entity that is subject to South Carolina corporate or individual income tax, bank tax, or insurance premium tax.
- **"New job"** means a job created in this State at the time a new facility or an expansion is initially staffed. A new job does not include a job transferred from one site to another site by the taxpayer or a related person, unless the job is transferred to a county where a federal facility has reduced its permanent employment by 3,000 or more jobs after December 31, 1990. Also included are jobs reinstated when the employer has rebuilt the facility after (a) more than 50% of it was destroyed by accidental fire, natural disaster, or act of God; or (b) an involuntary conversion took place through condemnation or exercise of eminent domain by the federal government or South Carolina or any of its political subdivisions, including a legally binding agreement for the purchase of the employer's facility under threat of exercise of eminent domain. The year of reinstatement is the year of creation of a reinstated job. All reinstated jobs qualify for this credit. No comparison is required between the number of full-time jobs in the tax year and the number of full-time jobs in the corresponding period of the prior tax year.
- **"Full-time"** means a job requiring a minimum of 35 hours of an employee's time each week for the entire normal year of company operations or a job requiring a minimum of 35 hours of an employee's time each week for a year in which the employee was hired initially for or transferred to the South Carolina facility. Two (2) half-time jobs are considered one (1) full-time job. A "half-time job" is a job requiring a minimum of 20 hours of an employee's time each week for the entire normal year of the company's operations or a job requiring a minimum of 20 hours of an employee's time each week for a year in which the employee was hired initially for or transferred to the South Carolina facility. For agricultural packaging and agribusiness operations, seasonal workers may be considered a full-time employee; however, a seasonal employee only counts as a fraction of a full-time worker, with the numerator being the number of hours worked a week multiplied by the number of weeks worked, and the denominator being the number one thousand eight hundred twenty.
- **Annualizing.** To determine if the 120% wage threshold is met, gross wages paid for each new job created in the tax year are annualized. For example, assume a new full-time job created in X County in July 1, 2011 pays a gross wage of \$20,000 for the 6 month period July 1, 2011 through December 31, 2011. The annualized salary is \$40,000.

The threshold for each full-time job is computed using the following formula:

$$\begin{array}{llllll} \text{Full-time job annualized:} & \text{Gross wages} & \times & \frac{12 \text{ months}}{\text{Months worked in tax year}} & & \\ \\ \text{Part-time job annualized:} & \text{Gross wages} & \times & \frac{12 \text{ months}}{\text{Months worked in tax year}} & \times & \frac{40 \text{ hours}}{\text{Half-time hours worked per week}} \end{array}$$

- **"Manufacturing facility"** means an establishment where tangible personal property is produced or assembled.
- **"Processing facility"** means an establishment that prepares, treats, or converts tangible personal property into finished goods or another form of tangible personal property. It can be a business engaged in processing agricultural, aquacultural, or maricultural products and specifically includes meat, poultry, and any other variety of food processing operations. It cannot be an establishment where retail sales of tangible personal property are made to retail customers.
- **"Warehousing facility"** means an establishment where tangible personal property is stored. It cannot be an establishment where retail sales of tangible personal property are made to retail customers.
- **"Distribution facility"** means an establishment where shipments of tangible personal property are processed for delivery to customers. It cannot be an establishment where retail sales of tangible personal property are made to retail customers on more than 12 days a year except for a facility which processes customer sales orders by mail, telephone, or electronic means, if the facility also processes shipments of tangible personal property to customers and if at least 75% of the dollar amount of goods sold through the facility are sold to customers outside of South Carolina. The limitation does not include retail sales made inside the facility to employees working at the facility.
- **"Research and development facility"** means an establishment engaged in laboratory, scientific, or experimental testing and development related to new products, new uses for existing products, or improving existing products. It cannot be an establishment engaged in efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, banking, or research in connection with literary, historical, or similar projects.
- **"Corporate office facility"** means a corporate headquarters that meets the definition of a "corporate headquarters" contained in Section 12-6-3410(J)(1). Corporate offices include general contractors licensed by the S.C. Department of Labor, Licensing and Regulation, even if not a regional or national headquarters.
- **"Tourism facility"** means an establishment used for a theme park, an amusement park, a historical, educational, or trade museum, a botanical garden, a cultural center, a theater, a motion picture production studio, a convention center, an arena, an auditorium, or a spectator or participatory sports facility. It can be a similar establishment where entertainment, education, or recreation is provided to the general public. It can also be a new hotel and motel construction site if the number of new jobs created by the new hotel or motel will be 20 or more. It does not include any portion of an establishment where retail merchandise or retail services are sold directly to retail customers.

● **"Qualifying service-related facility"** means:

- (a) an establishment engaged in an activity or activities listed under the North American Industry Classification System Manual (NAICS) Section 62: subsectors 621 (ambulatory health care), 622 (hospitals), and 623 (residential care facilities); or
- (b) a business, other than a business engaged in legal, accounting, banking, or investment services (including NAICS Section 65 management of companies and enterprises) or retail sales, which has a net increase of at least:
 - (1) 175 jobs at a single location;
 - (2) 150 jobs at a single location comprised of a building or portion of a building that has been vacant for at least 12 consecutive months prior to the taxpayer's investment;
 - (3) 100 jobs at a single location and the jobs have an average cash compensation level of more than one and one-half (1.5x) times the lower of state per capita income or per capita income in the county where the jobs are located;
 - (4) 50 jobs at a single location and the jobs have an average cash compensation level of more than twice (2x) the lower of state per capita income or per capita income in the county where the jobs are located; or
 - (5) 25 jobs at a single location and the jobs have an average cash compensation level of more than two and one-half (2.5x) times the lower of state per capita income or per capita income in the county where the jobs are located.

A taxpayer must use the most recent per capita income data available as of the end of the tax year in which the jobs are filled.

● **"Technology intensive facility"** means a facility at which a firm engages in the design, development, and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge. It can be any of these NAICS Codes: 5114 database and directory publishers, 5112 software publishers, 54151 computer systems design and related services, 541511 custom computer programming services, 541512 computer systems design services, 541711 (2007 NAICS) research and development in biotechnology; 541712 (2007 NAICS) research and development in physical, engineering, and life sciences; 518210 data processing, hosting, and related services, 9271 space research and technology; or a facility primarily used for one or more activities listed under NAICS Code 51811 (2002) (internet service providers and web search portals).

● **"Extraordinary retail establishment"** means a single store located in South Carolina within two miles of an interstate highway or in a county with at least 3,500,000 visitors a year. It must be a destination retail establishment with at least 2,000,000 visitors a year, and with at least 35% of them traveling at least 50 miles to the establishment. It must have a capital investment of at least \$25,000,000 including land, buildings and site preparation costs. It must have one or more hotels built to service the establishment within three years of occupancy. It must have a certificate of occupancy after July 1, 2006. The Department of Parks, Recreation and Tourism determines and annually certifies who qualifies as an extraordinary retail establishment and its judgment is conclusive.

LINE INSTRUCTIONS

STEP 1 – TOTAL NUMBER OF QUALIFYING JOBS

PART A Instructions – QUALIFYING BUSINESSES

(1) In the tax year when you first claimed this credit, did you have a total of 99 or fewer full-time jobs everywhere, at either the beginning or the end (whichever is lower) of the tax year?

To qualify for the accelerated small business jobs credit, a taxpayer must have 99 or fewer total employees at all locations worldwide at either the beginning or the end of its tax year in which the new, full-time jobs are created in Year 1. The determination is made each time a credit period begins; it is not made for subsequent years of the same credit period (e.g., Year 2, 3, 4, or 5), even if the number of employees exceeds 99 worldwide during the credit period.

(2) Describe the facility and nature of business. Does the type of facility qualify for the credit?

This chart includes the types of small businesses that qualify for this credit:

Qualifying Facility	County Ranking				Monthly Average Job Creation Requirement
	Tier IV	Tier III	Tier II	Tier I	
1. Manufacturing	Yes	Yes	Yes	Yes	2
2. Processing	Yes	Yes	Yes	Yes	2
3. Warehousing	Yes	Yes	Yes	Yes	2
4. Distribution	Yes	Yes	Yes	Yes	2
5. Research & Development	Yes	Yes	Yes	Yes	2
6. Corporate Office	Yes	Yes	Yes	Yes	2
7. Technology Intensive	Yes	Yes	Yes	Yes	2
8. Banking	Yes	Yes	Yes	Yes	2
9. Tourism	Yes	Yes	Yes	Yes	2, except 20 for a new hotel or motel
10. Agribusiness Operations	Yes	Yes	Yes	Yes	2
11. Extraordinary Retail Establishment	Yes	Yes	Yes	Yes	2
12. Retail Facility (e.g., convenience store, restaurant)	Yes	No	No	No	2
13. Service-Related Industry (e.g., seamstress, barber, lawn care, daycare, legal, accounting, investment services)	Yes	No	No	No	2
14.a. Qualifying Service-Related Facility - health care (e.g., hospital, health-related services)	Yes	Yes	Yes	Yes	2
14.b. Qualifying Service-Related Facility - other (e.g., call centers, mortgage processing centers, but not legal, accounting or investment services or retail sales)	Yes	Yes	Yes	Yes	30 – 250 at a single location based on certain average cash compensation amounts listed in the statute

STEP 1, PART B Instructions – COMPUTING THE NUMBER OF QUALIFYING JOBS

Enter the name of the county where the facility is located. Each year counties are designated as Tier I, Tier II, Tier III or Tier IV. The amount of credit depends on the county's designation.

In the first column, enter the names of each month of the tax year in chronological order. (example: March through February.)

In all other columns, enter each corresponding full-time job as 1 and each part time job as 0.5. A full-time job is one requiring a minimum of 35 hours of an employee's time each week for the entire normal year of company operations. A half time job is one requiring less than 35 hours but at least 20 hours of an employee's time each week for the entire normal year of company operations.

As examples, enter 1 half time job as 0.5, 3 half time jobs as 1.5, and 4 half time jobs as 2.

Computation of jobs qualifying for the credit

Line 1 Total employees. Add amounts from each column.

Line 2 Number of months in operation. Enter the number of months that existed in the corresponding tax year.

Line 3 Monthly average of employees. Divide line 1 by line 2 and round down to the next whole number.

Line 4 Previous year average. Enter the line 3 amount from the previous column.

Line 5 Average increase in full-time employees. Line 3 minus line 4.

Lines 6 through 11 Yearly increases. New jobs qualify for five consecutive years, beginning with the year the new full-time jobs are created, as long as they are maintained.

Line 12 Jobs qualifying for credit. Add lines 6 through 11.

CAUTION: The number of jobs on line 12 for each tax year must be 2 or more to qualify for the credit for that tax year. STOP HERE if you do not have 2 or more for the current year.

STEP 2 QUALIFYING FOR THE 100% CREDIT

PART A Instructions – DETERMINING THE 120% THRESHOLDS

If gross wages when annualized are paid at or above 120% of the county or state per capita income, whichever is less, the jobs are eligible for 100% of the traditional credit amount for each qualifying month. Gross wages are annualized when you multiply them by 12 months and divide them by the actual number of months worked in a year.

When determining whether gross wages are at or above the 120% threshold, use the most recent county and state per capita income data available as of the end of the applicable tax year. Per capita income figures are available at:

dor.sc.gov > "[Dept. Advisory Opinions](#)" [left column under "**Law and Policy**"] >

OPTION 1 for data by Calendar Year, click on

"● **A Calendar Year Index of Advisory Opinions (Temporary and Final)**" [third bullet]

OPTION 2 for all state or county data by Calendar Year, click on

"● **An Alphabetical Index of Advisory Opinions (Temporary and Final)**" [second bullet] >

"● **INCOME TAXES**" [third bullet]

Step 1 for state data, scroll down to:

"Corporate Headquarters Credit..."

"Per-Capita Income for State -- Most Recent Figures Available"

Step 2 for county data, scroll down to:

"Job Tax Credit..."

"Per Capita Income for Counties"

STEP 2, PART B Instructions – COMPUTING JOBS OVER THE 120% THRESHOLDS

Full-time employees over the 120% threshold in each month

In the first column, enter the names of each month of the tax year in chronological order.

In all other columns, enter each corresponding full-time job over the 120% threshold as 1 and each part time job over the 120% threshold as 0.5. A full-time job is one requiring a minimum of 35 hours of an employee's time each week for the entire normal year of company operations. A half-time job is one requiring less than 35 hours but at least 20 hours of an employee's time each week for the entire normal year of company operations. As examples, enter 1 half-time job as 0.5, 3 half-time jobs as 1.5, and 4 half-time jobs as 2.

Computation of jobs over the 120% threshold

Line 1 Total employees. Add amounts from each column.

Line 2 Number of months in operation. Enter the number of months that existed in the corresponding tax year.

Line 3 Monthly average of full-time employees. Divide line 1 by line 2 and round down to the next whole number.

Line 4 Previous year average. Enter the line 3 amount from the previous column.

Line 5 Average increase in full-time employees. Line 3 minus line 4.

Line 6 through 11 Yearly increases. New jobs qualify for five consecutive years, beginning with the year the new full-time jobs are created, as long as they are maintained.

Line 12 Add lines 6 through 11.

Line 13 Enter the amounts from STEP 1, PART B, line 12.

Line 14 Jobs qualifying for the credit. Enter the lesser of line 12 or line 13.

CAUTION: The number of jobs on line 14 for each tax year must be 2 or more to qualify for the 100% credit. If line 14 is less than 2, enter -0- on STEP 3, line 4.

STEP 3 Instructions – DETERMINING THE ALLOWABLE CREDIT

100% Allowable Credit

Line 1 100% credit amount for each job

Use the county designation in effect at the time new jobs are created unless a form SC616 is filed with the Department of Revenue before staffing to "lock in" a different designation. The credit amounts for each designation are:

- \$8,000 for each new full-time job created in Tier IV counties.
- \$4,250 for each new full-time job created in Tier III counties.
- \$2,750 for each new full-time job created in Tier II counties.
- \$1,500 for each new full-time job created in Tier I counties.

Line 2 Additional credit amount(s)

(1) A facility located in a multi-county business or industrial park is allowed an additional \$1,000 credit for each new full-time job created.

(2) A facility located on property where a response action has been completed pursuant to a non-responsible party voluntary cleanup contract under the Brownfields Voluntary Cleanup Program is allowed an additional \$1,000 credit for each new full-time job created.

The additional credit is not allowed to a "responsible party".

Except in Tier IV counties, the maximum aggregate credit for a single employee by combining this credit and the TC-12 and TC-12A employer tax credits is \$5,500.

Line 3 Add lines 1 and 2. This is the amount of credit for each job at or over the 120% threshold.

Line 4 Enter the amount from STEP 2, PART B, line 12 for the appropriate tax year. This is the number of jobs at or over the 120% threshold. Enter -0- if STEP 2, PART B, line 14 is less than 2.

Line 5 Allowable 100% credit. Multiply line 3 by line 4.

50% Allowable Credit

Line 6 50% credit amount for each job

Use the county designation in effect at the time new jobs are created unless a Form SC616 is on file at the Department of Revenue "locking in" a different designation:

- \$4,000 for each new full-time job created in Tier IV counties.
- \$2,125 for each new full-time job created in Tier III counties.
- \$1,375 for each new full-time job created in Tier II counties.
- \$750 for each new full-time job created in Tier I counties.

Line 7 Additional credit amount(s). See line 2 instructions.

Line 8 Add lines 6 and 7. This is the amount of credit for each job under the 120% threshold.

Line 9 Enter the amount from STEP 1, PART B, line 12 for the appropriate tax year. This is the total number of qualifying jobs.

Line 10 Line 9 minus line 4. This is the number of jobs under the 120% threshold.

Line 11 Allowable 50% credit. Multiply line 8 by Line 10.

STEP 3 Instructions (continued) – DETERMINING THE ALLOWABLE CREDIT

Total Allowable Credit

Line 12 Add lines 5 and 11. This is the total allowable credit claimed for the tax year.

Line 13 Your carryover credit from prior years. Unused credits may be carried forward for 15 years.

Line 14 Add lines 12 and 13. This is the total of credit claimed for the tax year and carried forward from prior years.

Line 15 Your current tax year tax liability. The amount of credit used in any year is limited to 50% of your tax liability before applying any other credits.

Line 16 Multiply line 15 by 50% (0.50). See line 15 instructions.

Line 17 Enter the smaller of line 14 or line 16. Enter this amount on the appropriate tax credit Schedule.

Line 18 Line 14 minus line 17. This is the amount of your carryforward, subject to the rule that credits may be carried forward for 15 years.

Pass-through of credit to partners, S-corporation shareholders, and LLC members

Allocate credits earned by partnerships, S-corporations, or limited liability companies taxed as a partnership or S-corporation to the partners, shareholders or members. The credit passed through is limited to 50% of the partner's, shareholder's or member's income tax liability.

EXAMPLE

The taxpayer in this example is a calendar year corporation having a tax liability before application of any credits of \$30,000. It qualifies for no other income tax credits. The qualifying corporate office facility is located in Dillon County and began operating in April of 2010. There is no additional credit amount as described in STEP 3 instructions.

STEP 1, PART B - COMPUTING THE NUMBER OF QUALIFYING JOBS

NUMBER OF FULL TIME EMPLOYEES IN EACH MONTH (Enter 0.5 for each part time job)

COUNTY	<u>Dillon</u>	YR <u>2010</u>	YR <u>2011</u>	YR <u>2012</u>	YR <u>2013</u>	YR _____	YR _____	YR _____
MONTH		BASE YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	January			8	6			
2	February			8	6			
3	March			7	6			
4	April		9	7	6			
5	May		9	7	6			
6	June		9	7	6			
7	July		8	7	7			
8	August		8	7	7			
9	September		8	7	7			
10	October		8	6	7			
11	November		8	6	7			
12	December		8	6	7			

COMPUTATION OF JOBS QUALIFYING FOR THE CREDIT

LINE 1: TOTAL EMPLOYEES	0	75	83	78			
LINE 2: DIVIDED BY: NUMBER OF MONTHS IN OPERATION	NA	9	12	12			
LINE 3: MONTHLY AVERAGE OF EMPLOYEES	NA	8	6	6			
NOTE: Round down to the next whole number.							
LINE 4: LESS: PREVIOUS YEAR AVERAGE (line 3 of previous column)	NA	8	6				
LINE 5: AVERAGE INCREASE IN EMPLOYEES	8	(2)	0				
LINE 6: YEAR 1 INCREASE	8	8	8				
LINE 7: YEAR 2 INCREASE		(2)	(2)				
LINE 8: YEAR 3 INCREASE			0				
LINE 9: YEAR 4 INCREASE							
LINE 10: YEAR 5 INCREASE							
LINE 11: YEAR 6 INCREASE							
LINE 12: JOBS QUALIFYING FOR CREDIT (Add lines 6 through 11)	8	6	6				

STEP 2 – QUALIFYING FOR THE 100% CREDIT

PART A - DETERMINING THE 120% THRESHOLDS:

Base year threshold:

1. State's per capita income at the end of the base year (see STEP 2 instructions) 1. \$ 32,338*
2. County's per capita income at the end of the base year (see STEP 2 instructions) 2. \$ 23,957**
3. Lesser of Line 1 or Line 2 3. \$ 23,957
4. 120% threshold percentage X 4. 120%
5. Multiply Line 3 by Line 4. This is the 120% threshold (Round to nearest whole dollar). . 5. \$ 28,748
If gross wages, when annualized, were paid in the Base Year at or above the amount on Line 5, include the job in the Base Year column below.

Tax year [Year 1] threshold:

6. State's per capita income at the end of the tax year (see STEP 2 instructions) 6. \$ TBD***
7. County's per capita income at the end of the tax year (see STEP 2 instructions) 7. \$ TBD****
8. Lesser of Line 6 or Line 7 8. \$ TBD
9. 120% threshold percentage X 9. 120%
10. Multiply Line 8 by Line 9. This is the 120% threshold (Round to nearest whole dollar) . . 10. \$ TBD
If gross wages, when annualized, were paid during the tax year at or above the amount on Line 10, include the job in appropriate column below.

* from SC Information Letter #10-12

** from SC Information Letter #10-4

*** Use the State per capita income from the last information letter published before the end of the tax year.

****Use Dillon County per capita income from the last information letter published before the end of the tax year.

See General Instructions concerning per capita income.

STEP 2 (continued), PART B - COMPUTING JOBS OVER THE 120% THRESHOLDS:

FULL TIME EMPLOYEES OVER THE 120% THRESHOLD IN EACH MONTH (Enter 0.5 for each qualifying part time job)

MONTH	BASE YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1 January			4	5			
2 February			4	5			
3 March			4	5			
4 April		2	4	5			
5 May		2	5	5			
6 June		2	5	5			
7 July		3	5	5			
8 August		3	5	5			
9 September		3	5	5			
10 October		3	5	5			
11 November		4	5	5			
12 December		4	5	5			

STEP 2 (continued), PART B - COMPUTING JOBS OVER THE 120% THRESHOLDS:

	BASE YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
LINE 1: TOTAL EMPLOYEES OVER THE 120% THRESHOLD	0	26	56	60			
LINE 2: DIVIDED BY: NUMBER OF MONTHS IN OPERATION	NA	9	12	12			
LINE 3: MONTHLY AVERAGE OF EMPLOYEES OVER THE THRESHOLD	NA	2	4	5			
NOTE: Round down to the next whole number.							
LINE 4: LESS: PREVIOUS YEAR AVERAGE (line 3 of previous column)		0	2	4			
LINE 5: AVERAGE INCREASE IN EMPLOYEES OVER THE THRESHOLD		2	2	1			
LINE 6: YEAR 1 INCREASE		2	2	2			
LINE 7: YEAR 2 INCREASE			2	2			
LINE 8: YEAR 3 INCREASE				1			
LINE 9: YEAR 4 INCREASE							
LINE 10: YEAR 5 INCREASE							
LINE 11: YEAR 6 INCREASE							
LINE 12: ADD LINES 6 THROUGH 11		2	4	5			
LINE 13: ENTER AMOUNTS FROM STEP 1, PART B, LINE 12		8	6	6			
LINE 14: JOBS QUALIFYING FOR 100% CREDIT (lesser of line 12 or line 13)		2	4	5			

STEP 3 – DETERMINING THE ALLOWABLE CREDIT (Tax Year 2013)

100% Allowable Credit

Line 1	100% credit amount for each job (see STEP 3 instructions)	1. \$	8,000
Line 2	Additional credit amount(s) (see STEP 3 instructions)	2. \$	0
Line 3	Add lines 1 and 2	3. \$	8,000
Line 4	Enter the amount from STEP 2, PART B, line 14 for the appropriate tax year Enter -0- if STEP 2, PART B, line 14 is less than 2.	4.	5
Line 5	Allowable 100% credit. Multiply line 3 by line 4	5. \$	40,000

50% Allowable Credit

Line 6	50% credit amount for each job (see STEP 3 instructions)	6. \$	4,000
Line 7	Additional credit amount(s) (see STEP 3 instructions)	7 \$	0
Line 8	Add lines 6 and 7	8. \$	4,000
Line 9	Enter the amount from STEP 1, PART B, line 12 for the appropriate tax year	9.	6
Line 10	Line 9 minus line 4	10.	2
Line 11	Allowable 50% credit. Multiply line 8 by Line 10	11. \$	8,000

Total Allowable Credit

Line 12	Add lines 5 and 11	12. \$	48,000
Line 13	Your carryover credit from prior years	13. \$	0
Line 14	Add lines 12 and 13	14. \$	48,000
Line 15	Your current tax year tax liability. (See instructions.)	15. \$	30,000
Line 16	Multiply line 15 by 50% (0.50)	16. \$	15,000
Line 17	Enter the smaller of line 14 or line 16. Enter this amount on the appropriate tax credit Schedule	17. \$	15,000
Line 18	Line 14 minus line 17. Unused credits may be carried forward for 15 years	18. \$	33,000

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form if you are an individual taking this credit. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.