

CANNOT BE CLAIMED FOR 2006

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE



**ANNUAL SMALL BUSINESS
JOBS TAX CREDIT**

Attach to your Income Tax Return

SC SCH. TC-4SB

(Rev. 4/12/07)
3417

2007

Names As Shown On Tax Return

SS No. or Fed. EI

STEP 1 – Total Number of Qualifying Jobs

The name of the county where the facility is located: _____

(1) Did you have a total of 99 or fewer full-time jobs everywhere, at either the beginning or the end (whichever is lower) of Tax Year 2006?

YES NO

(2) Describe the facility and nature of business: _____

Does the type of facility qualify for small business job tax credit? (See STEP 1 instructions)

YES NO

If you answered 'NO' to Question 1 **OR** 2, **STOP**. You do not qualify for the Annual Small Business Job Tax Credit (TC4-SB) for Tax Year 2007.

List of months in the Tax Year	(A) Previous Year Jobs: Number of full-time jobs in Tax Year 2005 (Enter each qualifying part-time job as 0.5)	(B) Year 1 Jobs: Number of full-time jobs in Tax Year 2006 (Enter each qualifying part-time job as 0.5)	(C) Tax Year Jobs Number of full-time jobs in Tax Year 2007 (Enter each qualifying part-time job as 0.5)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
i. Total for All Months			
ii. Number of Months in operation			
iii. Average			

Line 1 Enter the amount from Column A, Box iii 1. _____

Line 2 Enter the amount from Column B, Box iii 2. _____

Line 3 Line 2 minus line 1. This is the Year 1 average increase. If this number is less than 2, **STOP**; you do not qualify for the Credit for jobs created in Tax Year 2006 3. _____

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Step 1 (continued)

- Line 4 Enter the amount from Column C, Box iii. 4. _____
- Line 5 Line 4 minus line 1. 5. _____
- Line 6 Smaller of line 3 or line 5. This is the number of jobs qualifying for the Credit. 6. _____
- Line 7 Round the amount on line 6 down to the nearest whole number. If this number is less than 2, **STOP**; you do not qualify for this Credit for Tax Year 2007. 7. _____

STEP 2 – Jobs Qualifying for the 100% Credit

Part A - 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 (prorated) for each qualifying month. If gross wages are paid for a full month below 120% of both the county and State per capita income, the jobs are eligible for 50% of the traditional credit amount (prorated) for each qualifying month.

Previous year (Tax Year 2005) threshold:

1. State's per capita income at the end of the previous year (see STEP 2 instructions) 1. \$ _____
2. County's per capita income at the end of the previous year (see STEP 2 instructions) 2. \$ _____
3. Lesser of Line 1 or Line 2 3. \$ _____
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. \$ _____
- If gross wages, when annualized, were paid at or above the amount on Line 5, include the job in Part B, Column D. Gross wages are annualized when you multiply them by 12 months and divide them by the actual number of months worked in a tax year.

Year 1 (Tax Year 2006) threshold:

6. State's per capita income at the end of Year 1 (see STEP 2 instructions) 6. \$ _____
7. County's per capita income at the end of Year 1 (see STEP 2 instructions) 7. \$ _____
8. Lesser of Line 6 or Line 7 8. \$ _____
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. \$ _____
- If gross wages, when annualized, were paid at or above the amount on Line 10, include the job in Part B, Column E. Gross wages are annualized when you multiply them by 12 months and divide them by the actual number of months worked in a tax year.

Tax year (Tax Year 2007) threshold:

11. State's per capita income at the end of the taxpayer's tax year (see STEP 2 instructions) . . . 11. \$ _____
12. County's per capita income at the end of the taxpayer's tax year (see STEP 2 instructions) . . . 12. \$ _____
13. Lesser of Line 11 or Line 12 13. \$ _____
14. 120% threshold percentage X 14. 120%
15. Multiply Line 13 by Line 14. This is the 120% threshold (Round to nearest whole dollar). 15. \$ _____

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Step 2 (continued)

If gross wages, when annualized, were paid at or above the amount on Line 15, include the job in Part B, Column F. Gross wages are annualized when you multiply them by 12 months and divide them by the actual number of months worked in a tax year.

Part B - Determining which jobs qualify for the 100% credit

List of months in the Tax Year	(D) Previous Year Jobs > 120%: Number of full-time jobs in Tax Year 2005 > 120% threshold in Part A, line 5 (Enter each qualifying part-time job as 0.5)	(E) Year 1 Jobs > 120%: Number of full-time jobs in Tax Year 2006 > 120% threshold in Part A, line 10 (Enter each qualifying part-time job as 0.5)	(F) Tax Year Jobs > 120%: Number of full-time jobs in Tax Year 2007 > 120% threshold in Part A, line 15 (Enter each qualifying part-time job as 0.5)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
i. Total for All Months			
ii. Number of Months in operation			
iii. Average			

- Line 1 Enter the amount from Column D, Box iii 1. _____
- Line 2 Enter the amount from Column E, Box iii 2. _____
- Line 3 Line 2 minus line 1. This is the Year 1 average increase. If this number is less than 2, you do not qualify for the 100% Credit for jobs created in Tax Year 2006, but you will still qualify for the 50% credit 3. _____
- Line 4 Enter the amount from Column F, Box iii 4. _____
- Line 5 Line 4 minus line 1 5. _____
- Line 6 Smaller of line 3 or line 5. This is the number of jobs qualifying for the 100% Credit 6. _____
- Line 7 Round the amount on line 6 down to the nearest whole number. Do not enter 1; enter 0 instead. If this number is 0, you do not qualify for the 100% Credit for Tax Year 2007. 7. _____
- Line 8 Enter the amount from STEP 1, line 7 8. _____
- Line 9 Smaller of the line 7 or line 8 9. _____

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Step 3 – Determining the Allowable Credit

100% Allowable Credit Line

Line 1 100% credit amount for each job (see STEP 3 instructions) 1. \$ _____
Line 2 Additional credit amount(s) (see STEP 3 instructions) 2. \$ _____
Line 3 Add lines 1 and 2. 3. \$ _____
Line 4 Enter amount from STEP 2, Part B, line 7. 4. _____
Line 5 Allowable 100% credit. Multiply line 3 by line 4 5. \$ _____

50% Allowable Credit

Line 6 50% credit amount for each job (see STEP 3 instructions) 6. \$ _____
Line 7 Additional credit amount(s) (see STEP 3 instructions). 7. \$ _____
Line 8 Add lines 6 and 7 8. \$ _____
Line 9 Enter amount from STEP 1, line 7. 9. _____
Line 10 Line 9 minus line 4 10. _____
Line 11 Allowable 50% credit. Multiply line 8 by Line 10 11. \$ _____

Total Allowable Credit

Line 12 Add lines 5 and 11 12. \$ _____

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.

Line 13 Your current tax year tax liability. (See instructions.). 13. \$ _____
Line 14 Multiply line 13 by 50% (0.50) 14. \$ _____
Line 15 Enter the smaller of line 12 or line 14. Enter this amount on the appropriate tax credit schedule 15. \$ _____
Line 16 Line 12 minus Line 15. This is your credit carryover to future years 16. \$ _____

INSTRUCTIONS

General Information

Note: This credit applies only for tax years beginning after 2006. It is provided at this time for informational purposes only.

The South Carolina Code has three job tax credit provisions:

- (1) a traditional annual job tax credit, by completing SC SCH. TC-4;
- (2) an annual small business job tax credit, by completing SC SCH. TC-4SB; and
- (3) a monthly alternative small business job tax credit, by completing this form.

In general, the job tax credit applies to qualifying types of new and expanding businesses creating a minimum monthly average of new, full time jobs in South Carolina. Sole proprietorships, partnerships, corporations, S corporations, and limited liability companies that are a qualifying business type (e.g., manufacturing facility, processing facility, etc.) are eligible. The credit taken in one tax year may not exceed 50% of the taxpayer's South Carolina income tax, insurance premium tax, or bank tax liability. Any unused credit may be carried forward for 15 years.

For tax years beginning on or after January 1, 2006, the "traditional" job tax credit was expanded to make it available to certain types of small businesses (i.e., a business with 99 or fewer total employees worldwide) by lowering the monthly average number of jobs required to be created. Code Section 12-6-3360(C)(2) provides a job tax credit for a qualifying small business taxpayer creating and maintaining a minimum monthly average new, full time jobs in South Carolina. For most taxpayers, the minimum monthly average increase for the tax year is 2. Additional job creation requirements apply to tourism industries and certain "qualifying service related industries". The credit amount depends, in part, on the county in which the taxpayer is located and the amount of gross wages paid to each employee. New jobs paid gross wages at or above 120% of the county or State average per capita income, whichever is less, are eligible for 100% of the "traditional" credit amount. New jobs paid gross wages below 120% of the county or State average per capita income, whichever is less, are eligible for 50% of the "traditional" credit amount.

Note: A minimum monthly average of 2 new, full time jobs must be created paying gross wages in the "at or above" 120% wage threshold for the tax year to receive the 100% credit amount.) The credit is claimed on the taxpayer's tax return for 5 years (Years 2 through 6) beginning in the year following the year of the creation of the new jobs (Year 1), provided the jobs are maintained. (**Note:** The earliest this credit may be claimed is on the 2007 tax return for jobs created in tax years beginning on January 1, 2006.)

See SC Temporary Revenue Ruling #07-2 for more information.

Definitions

Full-time Job - A job with a minimum of 35 hours per week for the entire year with wages paid for the entire month.

Part-time Job or Half job - A job with a minimum of 20 hours per week for the entire year. Each part-time job counts as one half of a full-time job if wages were paid for the entire month. (For example, 3 part-time jobs counts as 1.5 full time jobs)

Gross Wages - Wages subject to withholding.

Monthly Average - The number of jobs in each category in all months added together and divided by the number of months in operation.

Previous year - The year preceding the first year a taxpayer creates the number of new jobs necessary to qualify for the job tax credit, regardless of whether that year was the first year of operation of the facility. Each month of the previous year includes only the cumulative number of employees that are paid wages for the full month. This same previous year amount will be used each year during the original credit period in calculating the monthly average increase in new, full time jobs for the tax year.

Small business - The small business monthly job tax credit is available to a qualifying business having 99 or fewer total employees in all locations on the first or last day of its tax year.

STEP 1 Instructions – Total Number of Qualifying Jobs

Part A

Question 1 - To qualify for the monthly small business job tax credit, the 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.

Question 2 - This chart includes the types of small businesses that qualify for the monthly small business jobs tax credit:

Qualifying Facility	County Ranking			Monthly Average Job Requirement
	Distressed	Least Developed	Under Developed, Moderately Developed, & Developed	
Retail Facility (e.g., a convenience store, restaurant)	Yes	Yes	No	2
Service Related Industry (e.g., a seamstress, barber, lawn care service, daycare)	Yes	Yes	No	2
Manufacturing	Yes	Yes	Yes	2
Processing	Yes	Yes	Yes	2
Warehousing	Yes	Yes	Yes	2
Distribution	Yes	Yes	Yes	2
Research & Development	Yes	Yes	Yes	2
Corporate Office	Yes	Yes	Yes	2
Technology Intensive	Yes	Yes	Yes	2
Banking (effective 6/6/06)	Yes	Yes	Yes	2
Tourism	Yes	Yes	Yes	2, except 20 for a new hotel or motel
Qualifying Service Related Facility Note: Legal, accounting, banking, investment services, and retail sales are <u>not</u> a qualifying service related facility.	Yes	Yes	(see below)	2
Qualifying Service Related Facility Note: Legal, accounting, banking, investment services, and retail sales are <u>not</u> a qualifying service related facility.	(see above)	(see above)	Yes	30 – 250 at a single location based on certain average cash compensation amounts listed in the statute
Qualifying health care related facilities in NAICS Manual Section 62, subsectors 621 (ambulatory health care), 622 (hospitals), and 623 (residential care facilities.)	Yes	Yes	Yes	2

• Special requirements for tourism industries and certain ‘qualifying service-related facilities’:

- Tourism facilities that consist of hotels and motels must create 20 new jobs.
- Some ‘qualifying service related facilities’ must create at least:
 - 250 jobs at a single location; or
 - 125 jobs at a single location where the average cash compensation for those jobs is 1.5 times the county or state average, whichever is lower; or
 - 75 jobs at a single location where the average cash compensation for those jobs is 2 times the county or state average, whichever is lower; or
 - 30 jobs at a single location where the average cash compensation for those jobs is 2.5 times the county or state average, whichever is lower.

These special requirements do not apply to:

- ‘qualifying service related industries’ located in distressed or least developed counties; or
- health care 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’.

STEP 1 Instructions (continued)

List of Months Column – List months in the order of your tax year.

Column A – jobs in the Previous Year (Tax Year 2005). Include part-time jobs (working 20 or more hours a week) as 0.5.

Column B – jobs in Year 1 (Tax Year 2006). Include part-time jobs (working 20 or more hours a week) as 0.5.

Column C – jobs in the tax year (Tax Year 2007). Include part-time jobs (working 20 or more hours a week) as 0.5

Box i – total of jobs in for all months in operation combined

Box ii – number of months in operation during year

Box iii – monthly average of jobs. Divide the total for all months (Box i) by the number of months in operation (Box ii).

STEP 2 Instructions – Jobs Qualifying fort the 100% Credit

Part A Instructions - Determining the 120% threshold

The State or County per capita income, whichever is lower, multiplied by 120% is the threshold amount for determining whether a job qualifies for the 100% credit. **Use the most recent per capita data available at the time the tax year ended.** The 120% threshold divided by 12 is the monthly 120% threshold.

STEP 2, Part A Instructions (continued)

This chart includes per capita income for South Carolina and its counties through the end of Calendar Year 2006. **It does not provide the necessary per capita income figures for tax years beginning after 2006.** See our website, www.sctax.org, for additional Information Letters.

Availability Date Source	5/04/05 Information Letter #05-14	10/04/05 Information Letter #05-27	4/25/06 Information Letter #06-10	4/28/06 Information Letter #06-11	9/29/06 Information Letter #06-20
State of SC		\$27,153	\$28,352		\$28,212
Abbeville	\$20,289			\$21,000	
Aiken	\$27,350			\$27,901	
Allendale	\$17,221			\$17,991	
Anderson	\$25,946			\$26,249	
Bamberg	\$19,051			\$19,927	
Barnwell	\$19,296			\$19,809	
Beaufort	\$34,814			\$36,570	
Berkeley	\$23,441			\$25,286	
Calhoun	\$24,831			\$26,842	
Charleston	\$30,951			\$32,088	
Cherokee	\$21,492			\$22,562	
Chester	\$22,139			\$23,415	
Chesterfield	\$20,981			\$21,705	
Clarendon	\$19,630			\$20,692	
Colleton	\$20,416			\$21,662	
Darlington	\$23,797			\$24,558	
Dillon	\$19,378			\$20,342	
Dorchester	\$24,226			\$25,382	
Edgefield	\$20,345			\$21,397	
Fairfield	\$21,645			\$22,524	
Florence	\$26,088			\$27,359	
Georgetown	\$26,614			\$28,103	
Greenville	\$30,037			\$30,814	
Greenwood	\$23,922			\$24,935	
Hampton	\$19,855			\$20,905	
Horry	\$25,266			\$26,170	
Jasper	\$19,338			\$21,833	
Kershaw	\$26,159			\$27,204	
Lancaster	\$21,269			\$22,799	
Laurens	\$21,422			\$22,543	
Lee	\$18,643			\$19,395	
Lexington	\$30,048			\$31,282	
McCormick	\$18,338			\$19,383	
Marion	\$20,048			\$20,391	
Marlboro	\$18,676			\$19,334	
Newberry	\$21,933			\$23,122	
Oconee	\$26,201			\$27,736	
Orangeburg	\$22,325			\$23,181	
Pickens	\$23,593			\$24,135	
Richland	\$28,966			\$30,190	
Saluda	\$22,910			\$24,343	
Spartanburg	\$25,733			\$26,114	
Sumter	\$22,390			\$23,732	
Union	\$22,644			\$23,542	
Williamsburg	\$18,298			\$19,003	
York	\$27,407			\$28,714	

STEP 2 Instructions (continued)

Part B Instructions – Determining which jobs qualify for the 100% credit

List of Months Column – List months in the order of your tax year.

Column D – jobs in the Previous Year (Tax Year 2005) with gross wages at or above the 120% threshold. If gross wages, when annualized, were paid at or above the amount on Part A, Line 5, include the job in Part B, Column D. Gross wages are annualized by multiplying them by 12 months and dividing them by the actual number of months worked in a tax year. Include part-time jobs (working 20 or more hours a week) as 0.5.

Column E – jobs in Year 1 (Tax Year 2006) with gross wages at or above the 120% threshold. If gross wages, when annualized, were paid at or above the amount on Part A, Line 10, include the job in Part B, Column E. Gross wages are annualized by multiplying them by 12 months and dividing them by the actual number of months worked in a tax year. Include part-time jobs (working 20 or more hours a week) as 0.5.

Column F – jobs in the tax year (Tax Year 2007) with gross wages at or above the 120% threshold. If gross wages, when annualized, were paid at or above the amount on Part A, Line 15, include the job in Part B, Column F. Gross wages are annualized by multiplying them by 12 months and dividing them by the actual number of months worked in a tax year. Include part-time jobs (working 20 or more hours a week) as 0.5.

Box i – total of new jobs in each category for all months in operation combined

Box ii – number of months in operation during the current tax year

Box iii – monthly average of new jobs. Divide the total for all months (Box i) by the number of months in operation (Box ii).

PART 3 Instructions – Determining the Allowable Credit

Lines 1 and 6: 100% and 50% credit amounts:

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. Use this table for Tax Year 2006 designations: .

2006 County Rankings and Credit Amounts for Each New Job				
Distressed 100%: \$8,000 50%: \$4,000	Least Developed 100%: \$4,500 50%: \$2,250	Under Developed 100% credit: \$3,500 50% credit: \$1,750	Moderately Developed 100% credit: \$2,500 50% credit: \$1,250	Developed 100% credit: \$1,500 50% credit: \$750
Allendale	Abbeville	Calhoun	Anderson	Aiken
Barnwell	Bamberg	Colleton	Beaufort	Berkeley
Chester	Cherokee	Edgefield	Charleston	Dorchester
Chesterfield	Fairfield	Georgetown	Darlington	Greenville
Clarendon	Greenwood	Pickens	Florence	Kershaw
Dillon	Jasper	Saluda	Horry	Lexington
Hampton	Lancaster	Sumter	Newberry	Richland
Lee	Laurens		Oconee	York
Marion	Orangeburg		Spartanburg	
Marlboro	Union			
McCormick				
Williamsburg				

Lines 2 and 7: Additional credit amount(s):

- (1) A facility located in a business or multi-county industrial park is allowed an additional \$1,000 credit for each new full-time job created, for 5 years beginning in the tax year following the creation of the job.
- (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, for 5 years beginning in the tax year following the creation of the job. **The additional credit is not allowed to a "responsible party".**

EXAMPLE

The taxpayer in this example is a calendar year corporation having a tax liability, before application of any other credits, of \$20,000 (and does not qualify for any other credit limited to 50% of his tax liability before application of any other credits). The qualifying facility, located in Greenwood County, began operating in April of 2006, is not a tourism industry or “qualifying service-related facility,” and does not qualify for any additional credit amounts.

STEP 1 – Total Number of Qualifying Jobs

List of months in the Tax Year	(A) Previous Year Jobs Number of full-time jobs in Tax Year 2005 (Enter each qualifying part-time job as 0.5)	(B) Year 1 Jobs Number of full-time jobs in Tax Year 2006 (Enter each qualifying part-time job as 0.5)	(C) Tax Year Jobs Number of full-time jobs in Tax Year 2007 (Enter each qualifying part-time job as 0.5)
1 January	0	0	7
2 February	0	0	7
3 March	0	0	6
4 April	0	8	6
5 May	0	8	6
6 June	0	8	6
7 July	0	7	6
8 August	0	7	6
9 September	0	7	6
10 October	0	7	6
11 November	0	7	5
12 December	0	7	5
i. Total for All Months	0	66	71
ii. Number of Months in operation	0	9	12
iii. Average	0	7.33	5.92

Line 1	Enter the amount from Column A, Box iii	1.	<u>0</u>
Line 2	Enter the amount from Column B, Box iii	2.	<u>7.33</u>
Line 3	Line 2 minus line 1. This is the Year 1 average increase. If this number is less than 2, STOP ; you do not qualify for the Credit for jobs created in Tax Year 2006	3.	<u>7.33</u>
Line 4	Enter the amount from Column C, Box iii	4.	<u>5.92</u>
Line 5	Line 4 minus line 1	5.	<u>5.92</u>
Line 6	Smaller of line 3 or line 5. This is the number of jobs qualifying for the Credit	6.	<u>5.92</u>
Line 7	Round the amount on line 6 down to the nearest whole number. If this number is less than 2, STOP ; you do not qualify for this Credit for Tax Year 2007	7.	<u>5</u>

EXAMPLE (continued)

STEP 2 – Jobs Qualifying for the 100% Credit

Part A - Determining the 120% thresholds:

Previous year (Tax Year 2005) threshold:

1. State's per capita income at the end of the taxpayer's tax year (see STEP 2 instructions)	1.	\$	<u>27153</u>
			[from Information Letter #05-27]
2. County's per capita income at the end of the taxpayer's tax year (see STEP 2 instructions)	2.	\$	<u>23922</u>
			[from Information Letter #05-14]
3. Lesser of Line 1 or Line 2	3.	\$	<u>23922</u>
4. 120% threshold percentage	X		<u>120%</u>
5. Multiply Line 3 by Line 4. This is the 120% threshold (Round to nearest whole dollar)	5.	\$	<u>28706</u>

If gross wages, when annualized, were paid at or above the amount on Line 5, include the job in Part B, Column D. Gross wages are annualized by multiplying them by 12 months and dividing them by the actual number of months worked in a tax year.

Year 1 (Tax Year 2006) threshold:

6. State's per capita income at the end of Year 1 (see STEP 2 instructions).	6.	\$	<u>28212</u>
			[from Information Letter #06-20]
7. County's per capita income at the end of Year 1 (see STEP 2 instructions)	7.	\$	<u>24935</u>
			[from Information Letter #06-11]
8. Lesser of Line 6 or Line 7	8.	\$	<u>24935</u>
9. 120% threshold percentage	X		<u>120%</u>
10. Multiply Line 8 by Line 9. This is the 120% threshold (Round to nearest whole dollar)	10.	\$	<u>29922</u>

If gross wages, when annualized, were paid at or above the amount on Line 10, include the job in Part B, Column E. Gross wages are annualized by multiplying them by 12 months and dividing them by the actual number of months worked in a tax year.

Tax year (Tax Year 2007) threshold:

11. State's per capita income at the end of the taxpayer's tax year (see STEP 2 instructions).	11.	\$	<u> </u>
			[Information not yet available]
12. County's per capita income at the end of the taxpayer's tax year (see STEP 2 instructions)	12.	\$	<u> </u>
			[Information not yet available]
13. Lesser of Line 11 or Line 12	13.	\$	<u> </u>
14. 120% threshold percentage.	X		<u>120%</u>
15. Multiply Line 13 by Line 14. This is the 120% threshold (Round to nearest whole dollar).	15.	\$	<u> </u>

If gross wages, when annualized, were paid at or above the amount on Line 15, include the job in Part B, Column F. Gross wages are annualized by multiplying them by 12 months and dividing them by the actual number of months worked in a tax year.

EXAMPLE, Step 2 (continued)

Part B - Determining which jobs qualify for the 100% credit

List of months in the Tax Year	(D) Previous Year Jobs > 120%: Number of full-time jobs in Tax Year 2005 > 120% threshold in Part A, line 5 (Enter each qualifying part-time job as 0.5)	(E) Year 1 Jobs > 120%: Number of full-time jobs in Tax Year 2006 > 120% threshold in Part A, line 10 (Enter each qualifying part-time job as 0.5)	(F) Tax Year Jobs > 120%: Number of full-time jobs in Tax Year 2007 > 120% threshold in Part A, line 15 (Enter each qualifying part-time job as 0.5)
1 January	0	0	4
2 February	0	0	4
3 March	0	0	4
4 April	0	2	4
5 May	0	2	5
6 June	0	2	5
7 July	0	3	5
8 August	0	3	5
9 September	0	3	5
10 October	0	3	5
11 November	0	4	5
12 December	0	4	5
i. Total for All Months	0	26	56
ii. Number of Months in operation	0	9	12
iii. Average	0	2.89	4.67

Line 1	Enter the amount from Column D, Box iii	1.	<u>0</u>
Line 2	Enter the amount from Column E, Box iii	2.	<u>2.89</u>
Line 3	Line 2 minus line 1. This is the Year 1 average increase. If this number is less than 2, you do not qualify for the 100% Credit for jobs created in Tax Year 2006, but you will still qualify for the 50% credit	3.	<u>2.89</u>
Line 4	Enter the amount from Column F, Box iii	4.	<u>4.67</u>
Line 5	Line 4 minus line 1	5.	<u>4.67</u>
Line 6	Smaller of line 3 or line 5. This is the number of jobs qualifying for the 100% Credit	6.	<u>2.89</u>
Line 7	Round the amount on line 6 down to the nearest whole number. Do not enter 1; enter 0 instead. If this number is 0, you do not qualify for the 100% Credit for Tax Year 2007.	7.	<u>2</u>
Line 8	Enter the amount from STEP 1, line 7	8.	<u>5</u>
Line 9	Smaller of the line 7 or line 8	9.	<u>2</u>

EXAMPLE (continued)

Step 3 – Determining the Allowable Credit

100% Allowable Credit Line

Line 1	100% credit amount for each job (see STEP 3 instructions)	1.	\$	<u>4500</u>
Line 2	Additional credit amount(s) (see STEP 3 instructions)	2.	\$	<u>0</u>
Line 3	Add lines 1 and 2.	3.	\$	<u>4500</u>
Line 4	Enter amount from STEP 2, Part B, line 7.	4.		<u>2</u>
Line 5	Allowable 100% credit. Multiply line 3 by line 4	5.	\$	<u>9000</u>

50% Allowable Credit

Line 6	50% credit amount for each job (see STEP 3 instructions)	6.	\$	<u>2250</u>
Line 7	Additional credit amount(s) (see STEP 3 instructions).	7.	\$	<u>0</u>
Line 8	Add lines 6 and 7	8.	\$	<u>2250</u>
Line 9	Enter amount from STEP 1, line 7.	9.		<u>5</u>
Line 10	Line 9 minus line 4	10.		<u>3</u>
Line 11	Allowable 50% credit. Multiply line 8 by Line 10	11.	\$	<u>6750</u>

Total Allowable Credit

Line 12	Add lines 5 and 11	12.	\$	<u>15750</u>
Line 13	Your current tax year tax liability. (See instructions.)	13.	\$	<u>20000</u>
Line 14	Multiply line 13 by 50% (0.50)	14.	\$	<u>10000</u>
Line 15	Enter the smaller of line 12 or line 14. Enter this amount on the appropriate tax credit schedule	15.	\$	<u>10000</u>
Line 16	Line 12 minus Line 15. This is your credit carryover to future years	16.	\$	<u>5750</u>

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