



STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE 2009 TAX CREDITS

SC1040TC (Rev. 8/18/09) 3913

NAME

YOUR SOCIAL SECURITY NUMBER

These credits are computed on separate forms. Attach the appropriate form(s) to this schedule for the credit you are claiming. Credits may be disallowed if necessary schedules are not attached to your return. For lines 6-15, enter credit description and associated code from the following information, along with the dollar amount of the credit claimed.

Table with 4 columns: Credit Description, Code, Amount, and Line Number. Rows include Total Credit for taxes paid to another state, Carryover of unused qualified credits, Nursing Home Credit, New Jobs Credit, Alternative Motor Vehicle Credit, and Total Nonrefundable Tax Credits.

CREDIT DESCRIPTIONS

CREDIT FOR TAXES PAID TO ANOTHER STATE: See SC1040TC worksheet instructions.

CARRYOVER OF UNUSED QUALIFIED CREDITS: Enter the carryover of unused non-refundable credits from prior years. Refer to the particular form applicable to your tax credit for the maximum credit and period of time to carryover.

SEE THE SPECIFIC TAX CREDIT FORM REFERENCED TO GET MORE INFORMATION ON THESE TAX CREDITS:

NEW JOBS CREDIT: For qualifying employers that create and maintain 10 or more full-time jobs. (TC-4)

NURSING HOME CREDIT: A credit is allowed for an individual who pays expenses for his/her own support or the support of another to an institution, in any state, providing nursing facility level of care or to a provider for in-home or community care.

ALTERNATIVE MOTOR VEHICLE CREDIT: For purchasing qualifying vehicles. (TC-35)

Descriptions continued on last page

SC 1040 Filers: Attach this form and a complete copy of your federal return to your SC1040. If claiming credit for taxes paid to another state, also include a copy of each of the other state's tax return.

SC1041 or SC1065 Filers: Attach this form to your Fiduciary income tax return SC1041 or your Partnership return of income SC1065.



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
SC1040TC Worksheet
Credit for Taxes Paid to Another State

SC1040TC
(Rev. 8/18/09)
3434
2009

South Carolina Residents/Part Year Residents Only. Complete a separate worksheet for each state. See SC1040TC instructions.

Enter name of state.

--

		Dollars	Cents
1	Enter amount of income from line E of worksheet from instructions.....		00
2	The portion of line 1 above which was taxed by another state. (See line 2 instructions)		00
3	Percentage. (Divide the amount on line 2 by the amount on line 1, not to exceed 100%. Carry the percentage to the second decimal place.)		%
4	Amount of South Carolina Tax from SC1040, line 10.....		00
5	Tentative credit. (Percentage on line 3 times the amount on line 4.).....		00
6	Net amount of tax calculated as due the other state on the income shown on line 2. (See line 6 instructions) (Do not use withholding amounts from your other state's W-2s.)		00
7	Allowable credit. Enter the lesser of the tax on line 5 or line 6. Also enter this amount on SC1040TC, line 1. (If more than one worksheet is needed, total all amounts from line 7 of each worksheet and enter on SC1040TC, line 1)		00

SC1040TC Worksheet
Credit for Taxes Paid to Another State

South Carolina Residents/Part Year Residents Only. Complete a separate worksheet for each state. See SC1040TC instructions.

Enter name of state.

--

		Dollars	Cents
1	Enter amount of income from line E of worksheet from instructions.....		00
2	The portion of line 1 above which was taxed by another state. (See line 2 instructions).....		00
3	Percentage. (Divide the amount on line 2 by the amount on line 1, not to exceed 100%. Carry the percentage to the second decimal place.)		%
4	Amount of South Carolina Tax from SC1040, line 10.....		00
5	Tentative credit. (Percentage on line 3 times the amount on line 4.).....		00
6	Net amount of tax calculated as due the other state on the income shown on line 2. (See line 6 instructions) (Do not use withholding amounts from your other state's W-2s.)		00
7	Allowable credit. Enter the lesser of the tax on line 5 or line 6. Also enter this amount on SC1040TC, line 1. (If more than one worksheet is needed, total all amounts from line 7 of each worksheet and enter on SC1040TC, line 1)		00

SC1040TC WORKSHEET INSTRUCTIONS

CREDIT FOR TAXES PAID TO ANOTHER STATE (Rev. 8/18/09)

This Worksheet provides a summary of the credit for taxes paid to another state. Complete the other state return first. You must have filed a return with another state in order to claim this credit.

The credit is available to a South Carolina resident or a part-year resident if state income taxes are paid to South Carolina and another state on the same income. **The credit is computed only on income that is required to be taxed in both states.**

You may claim the credit on your South Carolina return only if you actually filed a return with the other state and had a tax liability to the other state. Tax liability does not refer to the tax withheld from

your pay, but rather to the tax computed on the other state's return (the amount the other state did not refund to you).

A copy of the federal return and the other state's tax return(s) must be filed with the Department at the time the credit is claimed. Complete a separate SC1040TC Worksheet for each state.

Attach an explanation if you are claiming a tax credit on Schedule NR. In order to claim a tax credit, you must have been a South Carolina resident at some time during the tax year.

LINE 1

SC1040 filers:

On line 1 you must account for state and federal differences to determine total South Carolina income. Total federal income must be **adjusted by applicable additions and subtractions**.

Complete the following worksheet:

Total income from federal Form 1040, line 22;
1040A, line 15; or 1040EZ, line 4 **received**
while a resident of South Carolina. A. _____
Add amounts from SC1040, line 33 and 35
and enter here. B. _____
Add lines A and B C. _____
Add amounts from SC1040, lines 38 - 42,
45 - 49 and 51. Enter here. D. **< _____ >**
Subtract line D from line C. Enter on line 1,
SC1040TC Worksheet. E. _____

Line 36, (other additions), and 53, (other subtractions), are used rarely. Items entered on these lines must be considered individually to determine whether line 1 of SC1040TC Worksheet is affected.

Example: Mr. B's total income from federal Form 1040, line 22, is \$36,000. South Carolina adjustments are as follows: State refund \$300; out-of-state loss on rental property \$4,500; and interest from U.S. Bond \$200. In this example, the amount to enter on line 1 of SC1040TC Worksheet is \$40,000 (\$36,000 plus \$4,500 minus \$300 minus \$200).

SC Schedule NR filers:

For line 1 use the amount from line 16, Column B plus line 42, Column B.

LINE 2

Line 2 should reflect the gross amount of income which was included in line 1 and was also taxed by another state.

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form. 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.

Example 1: Mr. R is a resident of South Carolina who works in another state. The other state's return shows wages of \$20,000. No other income sources appear on the other state's return.

Line 2 would be \$20,000 as that gross amount (before deductions and exemptions) was included in line 1 and is being taxed by another state.

Example 2. Same as example 1 except Mr. R's other state's return also shows \$10,000 in rental income from a property located in the other state. Line 2 would reflect \$20,000 as the \$10,000 rental income located in the other state is not taxed by South Carolina.

Remember: You are determining the gross amount of income being taxed by both South Carolina and another state.

LINE 6

Line 6 should reflect **only the portion of the tax paid** to the other state which is attributable to the income which is being taxed by both states. **Do not use withholding amounts shown on your W-2 forms.**

Example: Mr. M's other state's return shows \$5,000 in wages, \$7,000 in rental income from the other state, and \$8,000 from the sale of a house located in the other state. The other state's total tax liability is \$546. Since only the \$5,000 in wages is subject to tax in both states, line 6 would be computed as follows:

$$\frac{\$ 5,000}{\$20,000} \times \$546 = \$137$$

The credit is limited to the South Carolina tax or the other state's tax on the income being taxed by both states, **whichever is less.**

Total line 7 from all worksheets and enter total on SC1040TC, line 1.

NOTE: If you are allowed this credit for taxes paid another state, and that state later refunds or credits part of the tax which generated the credit, you must repay the South Carolina Department of Revenue within 60 days from the date of receipt of the refund or notice of the credit, by filing an **SC1040X** (Amended Return).

CODE TITLE: Description. (Form)

- 001 DRIP/TRICKLE IRRIGATION SYSTEMS CREDIT:** For purchasing and installing conservation tillage equipment, drip/trickle irrigation system, or dual purpose combination truck and crane equipment. **(TC-1)**
- 002 CREDIT FOR STATE CONTRACTORS SUBCONTRACTING WITH SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESSES:** For state contractors that subcontract with socially and economically disadvantaged small businesses. **(TC-2)**
- 003 WATER RESOURCES CREDIT:** For investing in the construction of water storage and control structures for soil and water conservation, wildlife management, agriculture and aquaculture purpose. **(TC-3)**
- 104 SMALL BUSINESS JOB CREDIT:** For qualifying small businesses that create and maintain 2 or more full-time jobs. **(TC-4SB)**
- 204 SMALL BUSINESS ALTERNATIVE JOB CREDIT:** For qualifying small businesses that create 2 or more full-time jobs. **(TC-4SA)**
- 005 SCENIC RIVER CREDIT:** For donating certain lands adjacent to designated rivers or sections of a river. **(TC-5)**
- 007 PALMETTO SEED CAPITAL CREDIT:** For investing in the Palmetto Seed Capital Corporation. **(TC-7)**
- 009 EMPLOYER CHILD CARE CREDIT:** For employers that establish child care programs to benefit employees or donate to a non-profit corporation providing child care services to employees. **(TC-9)**
- 010 BASE CLOSURE CREDIT:** For hiring employees who lost their jobs because of federal military installation closure or realignment. **(TC-10)**
- 011 ECONOMIC IMPACT ZONE CREDIT:** For placing qualifying property in service in an economic impact zone. **(TC-11)**
- 012 FAMILY INDEPENDENCE PAYMENTS CREDIT:** For employers hiring qualifying recipients of Family Independence Payments. **(TC-12)**
- 112 ADDITIONAL FAMILY INDEPENDENCE PAYMENTS CREDIT:** For employers hiring qualified Family Independence Payment recipients in a distressed or least developed county. **(TC-12A)**
- 014 COMMUNITY DEVELOPMENT CREDIT:** For investing amounts not claimed as charitable deductions in qualifying community development corporations or financial institutions. **(TC-14)**
- 018 RESEARCH EXPENSES CREDIT:** For taxpayers claiming a federal research expenses credit. **(TC-18)**
- 019 QUALIFIED CONSERVATION CONTRIBUTION CREDIT:** For donating a qualifying gift of land for conservation or a qualified conservation contribution of a real property interest. **(TC-19)**
- 020 CREDIT FOR EXPENSES INCURRED THROUGH BROWNFIELDS VOLUNTARY CLEANUP PROGRAM:** For costs of voluntary cleanup activity by a nonresponsible party under the Brownfields Voluntary Cleanup Program **(TC-20)**
- 021 CERTIFIED HISTORIC STRUCTURE CREDIT:** For rehabilitation projects that qualify for the federal credit. **(TC-21)**
- 022 CERTIFIED HISTORIC RESIDENTIAL STRUCTURE CREDIT:** For qualifying residential rehabilitation projects. **(TC-22)**
- 023 TEXTILES REHABILITATION CREDIT:** For rehabilitating an abandoned textile manufacturing facility. **(TC-23)**
- 024 COMMERCIALS CREDIT:** For production companies producing commercials in South Carolina. **(TC-24)**
- 025 MOTION PICTURES CREDITS AFTER JUNE 30, 2004:** For investing in motion picture projects or motion picture production or post-production facilities in South Carolina after June 30, 2004. **(TC-25)**

CODE TITLE: Description. (Form)

- 026 VENTURE CAPITAL INVESTMENT CREDIT:** For lending money to the SC Venture Capital Authority **(TC-26)**
- 027 HEALTH INSURANCE POOL CREDIT:** For individuals acquiring replacement health insurance coverage through the SC Health Insurance Pool. **(TC-27)**
- 028 SC QUALITY FORUM CREDIT:** For participating in quality programs of the SC Quality Forum. **(TC-28)**
- 029 QUALIFIED RETIREMENT PLAN CONTRIBUTION CREDIT:** For taxes paid to another state on qualified retirement plan contributions not exempt from the other state's income tax. **(TC-29)**
- 030 PORT CARGO CREDIT:** For increasing usage by volume at state ports. **(TC-30)**
- 031 RETAIL FACILITIES REHABILITATION CREDIT:** For revitalizing abandoned retail facilities. **(TC-31)**
- 032 PREMARITAL PREPARATION COURSE CREDIT:** For attending a qualifying marriage preparation course prior to obtaining a SC marriage license. **(TC-32)**
- 036 INDUSTRY PARTNERSHIP FUND CREDIT:** For contributing to the SC Research Authority's Industry Partnership Fund. **(TC-36)**
- 038 SOLAR ENERGY OR SMALL HYDROPOWER SYSTEM CREDIT:** For installing a solar energy system or small hydropower system in a South Carolina facility. **(TC-38)**
- 040 ETHANOL OR BIODIESEL PRODUCTION CREDIT:** For producers of corn-based or non-corn-based ethanol or soy-based or non-soy-based biodiesel. **(TC-40)**
- 041 RENEWABLE FUEL FACILITY CREDIT:** For constructing a renewable fuel production or distribution facility in South Carolina. **(TC-41)**
- 043 RESIDENTIAL RETROFIT CREDIT:** For retrofitting a residence to make it more resistant to loss due to hurricane, rising floodwater, or other catastrophic windstorm event. **(TC-43)**
- 044 EXCESS INSURANCE PREMIUM CREDIT:** For excess premiums paid for property and casualty insurance on a legal residence. **(TC-44)**
- 045 APPRENTICESHIP CREDIT:** For employing an apprentice. **(TC-45)**
- 046 CREDIT SHAREHOLDER OF S CORPORATION BANKS:** For shareholders of S corporations operating as banks. **(TC-46)**
- 047 HYDROGEN INFRASTRUCTURE DEVELOPMENT FUND TAX CREDIT:** For contributions to the South Carolina Hydrogen Infrastructure Development Fund. **(TC-47)**
- 048 PLUG-IN HYBRID VEHICLE CREDIT:** For in-State purchase or lease of a plug-in hybrid vehicle. **(TC-48)**
- 049 CELLULOSIC ETHANOL OR ALGAE-DERIVED BIODIESEL RESEARCH AND DEVELOPMENT CREDIT:** For qualified expenditures for research into and development of feedstocks and processes for cellulosic ethanol and for algae-derived biodiesel. **(TC-49)**
- 051 VENISON FOR CHARITY CREDIT:** \$50 for each carcass of deer meat prepared by a licensed meat packer, butcher or processing plant for charity. **(TC-51)**
- 052 FIRE SPRINKLER SYSTEM CREDIT:** 25% of costs of voluntarily installing a fire sprinkler system in a structure. **(TC-52)**
- 053 ENERGY EFFICIENT MANUFACTURED HOME CREDIT:** \$750 credit for new purchase of an Energy Star manufactured home. **(TC-53)**