



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
ALTERNATIVE SMALL
BUSINESS JOB TAX CREDIT
Attach to your Income Tax Return

Name As Shown On Tax Return

STEP 1 - TOTAL NUMBER OF QUALIFYING JOBS

PART A - 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?

[] YES [] NO

(2) Describe the facility and nature of business:

Does the type of facility qualify for the credit? (See STEP 1, Part A instructions)

[] YES [] NO

If you answered 'NO' to Question 1 OR 2, STOP. You do not qualify for the credit for the tax year.

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)

Table with columns for COUNTY, YR, and MONTH (1-12) and rows for PRIORITY YEAR and YEAR 1-6.

COMPUTATION OF JOBS QUALIFYING FOR THE CREDIT

Table with rows for LINE 1: TOTAL EMPLOYEES, LINE 2: DIVIDED BY: NUMBER OF MONTHS IN OPERATION, LINE 3: MONTHLY AVERAGE OF EMPLOYEES, LINE 4: LESS: PREVIOUS YEAR AVERAGE, LINE 5: AVERAGE INCREASE IN EMPLOYEES.

STEP 1, PART B (continued)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
LINE 6: YEAR 1 INCREASE	_____	_____	_____	_____	_____	_____
LINE 7: YEAR 2 INCREASE	_____	_____	_____	_____	_____	_____
LINE 8: YEAR 3 INCREASE	_____	_____	_____	_____	_____	_____
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)	_____	_____	_____	_____	_____	_____

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 - 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. If gross wages, when annualized, are below 120% of both the county and State per capita income, the jobs are eligible for 50% 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 tax year.

Prior year threshold:

1. State's per capita income at the end of the prior year (see STEP 2 instructions) 1. \$ _____
2. County's per capita income at the end of the prior 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 in the Prior Year at or above the amount on Line 5, include the job in the Prior Year column below. See intructions for definitions for "annualizing."

Tax year threshold:

6. State's per capita income at the end of the tax year (see STEP 2 instructions) 6. \$ _____
7. County's per capita income at the end of the tax year (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 during the tax year at or above the amount on Line 10, include the job in appropriate column below. See intructions for definitions for "annualizing."

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	PRIOR YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1 _____	_____	_____	_____	_____	_____	_____	_____
2 _____	_____	_____	_____	_____	_____	_____	_____
3 _____	_____	_____	_____	_____	_____	_____	_____
4 _____	_____	_____	_____	_____	_____	_____	_____
5 _____	_____	_____	_____	_____	_____	_____	_____
6 _____	_____	_____	_____	_____	_____	_____	_____
7 _____	_____	_____	_____	_____	_____	_____	_____
8 _____	_____	_____	_____	_____	_____	_____	_____
9 _____	_____	_____	_____	_____	_____	_____	_____
10 _____	_____	_____	_____	_____	_____	_____	_____
11 _____	_____	_____	_____	_____	_____	_____	_____
12 _____	_____	_____	_____	_____	_____	_____	_____

COMPUTATION OF JOBS OVER THE 120% THRESHOLD

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

100% Allowable Credit

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 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.	_____
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 the amount from STEP 1, PART B, line 12 for the appropriate tax year	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.	\$ _____
Line 13	Your carryover credit from prior years	13.	\$ _____
Line 14	Add lines 12 and 13	14.	\$ _____
Line 15	Your current tax year tax liability. (See instructions.)	15.	\$ _____
Line 16	Multiply line 15 by 50% (0.50)	16.	\$ _____
Line 17	Enter the smaller of line 14 or line 16. Enter this amount on the appropriate tax credit schedule	17.	\$ _____
Line 18	Line 14 minus line 17. Unused credits may be carried forward for 15 years	18.	\$ _____

GENERAL INSTRUCTIONS

Who may claim

For tax years beginning after December 31, 2005, a qualifying taxpayer with 99 or fewer employees 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. See the definitions below of "taxpayer," "new job," and "full time."

Qualifying taxpayers include those that operate manufacturing, tourism, processing, warehousing, distribution, research and development facilities; corporate offices, qualifying service-related facilities, extraordinary retail establishments, qualifying technology intensive facilities, and banks. Corporate offices include general contractors licensed by the S.C. Department of Labor, Licensing and Regulation. Several of these are defined below.

In addition, taxpayers that operate retail facilities and service-related industries qualify for an annual jobs tax credit in counties designated as least developed or distressed, and in counties that are underdeveloped and not traversed by an interstate highway.

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

The credit is not allowed for a year in which the new full time job increase falls below the minimum level of two.

County rankings

Each year by December 31, the Department of Revenue ranks and designates all counties as distressed, least developed, underdeveloped counties, moderately developed, or developed.

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 average per capita income, then the initial amount of credit is:

- \$8,000 for each new full time job created in distressed counties.
- \$4,500 for each new full time job created in least developed counties.
- \$3,500 for each new full time job created in underdeveloped counties.
- \$2,500 for each new full time job created in moderately developed counties.
- \$1,500 for each new full time job created in developed counties.

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

- \$4,000 for each new full time job created in distressed counties.
- \$2,250 for each new full time job created in least developed counties.
- \$1,750 for each new full time job created in underdeveloped counties.
- \$1,250 for each new full time job created in moderately developed counties.
- \$750 for each new full time job created in developed 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 nonresponsible 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 (SC SCH. TC-4, TC-4SA, and TC-4SB) and employer tax credits (SC SCH. TC-12 and TC-12A) that may be claimed in any tax year for a single employee is \$5,500. This limit does not apply to distressed counties.

After qualifying for the credit, the taxpayer may obtain credit for additional new full time jobs created in Years 2 through 6 for five (5) years following the year in which the job is created.

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 taxable year with the monthly average in the prior taxable 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 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.

A taxpayer may claim credit only for job levels maintained for the tax year that the credit is claimed. If the job level decreases, the 5-year period for eligibility for the credit continues to run.

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 tax corporate or individual income or bank tax liability.

Carryforward

Unused credit may be carried forward for 15 years. Credits carried forward must be used in the order claimed. Credit earned by and flowing through a partnership, S-corporation or LLC taxed as a partnership or S-corporation may be carried forward by 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 that 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 the reinstated job. All reinstated jobs qualify for the credit pursuant to this section. 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.

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, 2006 pays a gross wage of \$20,000 for the 6 month period July 1, 2006 through December 31, 2006. The annualized salary is \$40,000.

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

Full-time job annualized:

$$\text{Gross wages} \times \frac{12 \text{ months}}{\text{Months worked in tax year}}$$

Part-time job annualized:

$$\text{Gross wages} \times \frac{12 \text{ months}}{\text{Months worked in tax year}} \times \frac{40 \text{ hours}}{\text{half time hours worked per week}}$$

"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. 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). For a general contractor licensed by the S.C. Department of Labor, Licensing and Regulation, a corporate headquarters qualifies even if it is 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, 622, and 623; or
- (b) a business, other than a business engaged in legal, accounting, banking, or investment services or retail sales, which has a net increase of at least:
 - (1) 250 jobs at a single location;
 - (2) 125 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;
 - (3) 75 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
 - (4) 30 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 shall use the most recent per capita income data available as of the end of the taxable 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, 541710 scientific research and development services, or 9271 space research and technology, or Internet Service Providers and Web Search Portals listed in 2002 NAICS Code 51811.

"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 alternative 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.

(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 the alternative 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 not a qualifying service related facility	Yes	Yes	(see below)	2
Qualifying Service Related Facility Note: Legal, accounting, banking, investment services, and retail sales are not 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 “qualifying service-related facilities”:

- Tourism facilities that consist of hotels and motels must create 20 new jobs.
- Certain “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
- 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.”

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 ranked annually as developed, moderately developed, underdeveloped, least developed, and distressed. The amount of credit depends on the county’s ranking.

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 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 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

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. This chart includes the most recent per capita income figures for South Carolina and its counties available at the time the form was developed. See the information letters on our website, www.sctax.org, to see if more recent figures are available. Generally, the county per capita income figures are released once a year, and the state per capita income figures are released twice a year. Use the most recent per capita data available **at the time the tax year ended**.

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	5/11/07 Information Letter #07-11	10/4/07 Information Letter #07-18	5/06/08 Information Letter #08-8	10/9/08 Information Letter #08-22	4/24/09 Information Letter #09-6
State of SC		\$27,153	\$28,352		\$28,212	\$29,515	\$29,688	\$31,013	\$31,048	\$31,884
Abbeville	\$20,289			\$21,000		\$22,111		\$23,172		\$23,829
Aiken	\$27,350			\$27,901		\$28,418		\$29,912		\$31,253
Allendale	\$17,221			\$17,991		\$18,871		\$22,509		\$21,928
Anderson	\$25,946			\$26,249		\$26,968		\$27,955		\$29,084
Bamberg	\$19,051			\$19,927		\$20,989		\$21,991		\$22,689
Barnwell	\$19,296			\$19,809		\$20,409		\$21,900		\$22,480
Beaufort	\$34,814			\$36,570		\$39,308		\$41,724		\$45,427
Berkeley	\$23,441			\$25,286		\$27,040		\$27,069		\$28,848
Calhoun	\$24,831			\$26,842		\$28,429		\$30,810		\$31,156
Charleston	\$30,951			\$32,088		\$34,158		\$36,326		\$38,702
Cherokee	\$21,492			\$22,562		\$22,651		\$23,682		\$24,794
Chester	\$22,139			\$23,415		\$24,814		\$26,310		\$26,488
Chesterfield	\$20,981			\$21,705		\$22,286		\$23,208		\$24,533
Clarendon	\$19,630			\$20,692		\$21,266		\$22,350		\$23,372
Colleton	\$20,416			\$21,662		\$22,764		\$24,550		\$25,402
Darlington	\$23,797			\$24,558		\$25,745		\$27,361		\$28,498
Dillon	\$19,378			\$20,342		\$20,850		\$21,916		\$21,439
Dorchester	\$24,226			\$25,382		\$26,207		\$27,408		\$29,092
Edgefield	\$20,345			\$21,397		\$23,157		\$24,620		\$26,743
Fairfield	\$21,645			\$22,524		\$23,926		\$25,427		\$25,725
Florence	\$26,088			\$27,359		\$28,486		\$30,334		\$31,802
Georgetown	\$26,614			\$28,103		\$30,399		\$32,524		\$34,694
Greenville	\$30,037			\$30,814		\$31,759		\$33,460		\$35,076
Greenwood	\$23,922			\$24,935		\$25,471		\$26,529		\$27,297
Hampton	\$19,855			\$20,905		\$21,566		\$22,668		\$23,584
Horry	\$25,266			\$26,170		\$26,789		\$27,809		\$28,307
Jasper	\$19,338			\$21,833		\$23,696		\$26,247		\$25,415
Kershaw	\$26,159			\$27,204		\$28,595		\$30,067		\$31,834
Lancaster	\$21,269			\$22,799		\$23,560		\$21,497		\$22,076
Laurens	\$21,422			\$22,543		\$24,043		\$25,155		\$26,237
Lee	\$18,643			\$19,395		\$20,307		\$21,601		\$22,066
Lexington	\$30,048			\$31,282		\$31,575		\$33,645		\$34,744
McCormick	\$18,338			\$19,383		\$20,299		\$21,610		\$23,166
Marion	\$20,048			\$20,391		\$20,485		\$21,608		\$22,145
Marlboro	\$18,676			\$19,334		\$20,643		\$20,661		\$20,384
Newberry	\$21,933			\$23,122		\$23,901		\$25,160		\$26,494
Oconee	\$26,201			\$27,736		\$28,561		\$29,715		\$31,675
Orangeburg	\$22,325			\$23,181		\$24,002		\$25,528		\$26,419
Pickens	\$23,593			\$24,135		\$24,572		\$25,591		\$26,624
Richland	\$28,966			\$30,190		\$31,518		\$33,157		\$34,434
Saluda	\$22,910			\$24,343		\$25,667		\$27,603		\$28,778
Spartanburg	\$25,733			\$26,114		\$26,656		\$28,261		\$28,971
Sumter	\$22,390			\$23,732		\$25,042		\$26,242		\$27,576
Union	\$22,644			\$23,542		\$24,396		\$25,320		\$26,230
Williamsburg	\$18,298			\$19,003		\$20,005		\$21,038		\$21,644
York	\$27,407			\$28,714		\$29,904		\$31,657		\$32,627

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 on file at the Department of Revenue "locking in" a different designation:

- \$8,000 for each new full time job created in distressed counties.
- \$4,500 for each new full time job created in least developed counties.
- \$3,500 for each new full time job created in underdeveloped counties.
- \$2,500 for each new full time job created in moderately developed counties.
- \$1,500 for each new full time job created in developed counties.

Line 2 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 nonresponsible 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."**

Except in distressed counties, the maximum aggregate credit of this credit and the employer tax credit (SC SCH. TC-12 and TC-12A) that may be claimed in any tax year for a single employee 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 distressed counties.
- \$2,250 for each new full time job created in least developed counties.
- \$1,750 for each new full time job created in underdeveloped counties.
- \$1,250 for each new full time job created in moderately developed counties.
- \$750 for each new full time job created in developed 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 2007 Tax Year example is a calendar year corporation having a tax liability before application of any credits of \$30,000. It qualifies for no credit except this one. The qualifying corporate office facility is located in Greenwood County and began operating in April of 2006. It qualifies for no additional credit 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	Greenwood	YR 2005	YR 2006	YR 2007	YR	YR	YR	YR
MONTH		PRIOR YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1	January			8				
2	February			8				
3	March			7				
4	April		9	7				
5	May		9	7				
6	June		9	7				
7	July		8	7				
8	August		8	7				
9	September		8	7				
10	October		8	6				
11	November		8	6				
12	December		8	6				

COMPUTATION OF JOBS QUALIFYING FOR THE CREDIT

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

STEP 2 – QUALIFYING FOR THE 100% CREDIT

PART A - DETERMINING THE 120% THRESHOLDS:

Prior year threshold:

- 1. State's per capita income at the end of the prior year (see STEP 2 instructions) 1. \$ 27153*
- 2. County's per capita income at the end of the prior year (see STEP 2 instructions) 2. \$ 23922**
- 3. Lesser of Line 1 or Line 2 3. \$ 23922
- 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. \$ 28706
 If gross wages, when annualized, were paid in the Prior Year at or above the amount on Line 5, include the job in the Prior Year column below.

Tax year [Year 2] threshold:

- 6. State's per capita income at the end of the tax year (see STEP 2 instructions) 6. \$ 29688***
- 7. County's per capita income at the end of the tax year (see STEP 2 instructions) 7. \$ 25471****
- 8. Lesser of Line 6 or Line 7 8. \$ 25471
- 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. \$ 30565
 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 #05-27
 ** from SC Information Letter #05-14
 *** from SC Information Letter #07-18
 **** from SC Information Letter #07-11
 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	PRIOR YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
1 January			4				
2 February			4				
3 March			4				
4 April		2	4				
5 May		2	5				
6 June		2	5				
7 July		3	5				
8 August		3	5				
9 September		3	5				
10 October		3	5				
11 November		4	5				
12 December		4	5				

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

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

STEP 3 – DETERMINING THE ALLOWABLE CREDIT (Tax Year 2007)

100% Allowable Credit

Line 1	100% credit amount for each job (see STEP 3 instructions)	1. \$	4500
Line 2	Additional credit amount(s) (see STEP 3 instructions)	2. \$	0
Line 3	Add lines 1 and 2	3. \$	4500
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.	4
Line 5	Allowable 100% credit. Multiply line 3 by line 4	5. \$	18000

50% Allowable Credit

Line 6	50% credit amount for each job (see STEP 3 instructions)	6. \$	2250
Line 7	Additional credit amount(s) (see STEP 3 instructions)	7 \$	0
Line 8	Add lines 6 and 7	8. \$	2250
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. \$	4500

Total Allowable Credit

Line 12	Add lines 5 and 11	12. \$	22500
Line 13	Your carryover credit from prior years	13. \$	10000****
Line 14	Add lines 12 and 13	14. \$	32500
Line 15	Your current tax year tax liability. (See instructions.)	15. \$	30000
Line 16	Multiply line 15 by 50% (0.50)	16. \$	15000
Line 17	Enter the smaller of line 14 or line 16. Enter this amount on the appropriate tax credit Schedule	17. \$	15000
Line 18	Line 14 minus line 17. Unused credits may be carried forward for 15 years	18. \$	17500

**** Supplied

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.