

SC SCH. TC-2 INSTRUCTIONS

The South Carolina General Assembly enacted legislation which provides an income tax credit to a contractor who awards a sub-contract to a certified South Carolina based minority business. To be eligible for the income tax credit, the payment must have been made on or after July 30, 1981, and the contractor must meet the following requirements: (1) the procurement contract must be with the State of South Carolina (2) the payment must be made to a sub-contractor who has been certified as a minority firm.

The income tax credit is equal to four percent (4%) of the payments to minority sub-contractors for work pursuant to a state contract. The tax credit is limited to a maximum of twenty-five thousand dollars (\$25,000) annually or the total tax liability, whichever is the lesser. *There is no carry-forward provision for unused tax credit.* A contractor will only be eligible to claim the credit for six taxable years beginning with the taxable year in which the credit is first claimed.

A copy of the certification issued to the sub-contractor by the Small and Minority Business Assistance Office must accompany this form and be attached to your South Carolina Income Tax Return.

Any payment made to a minority sub-contractor prior to the date of certification does not qualify for the tax credit.

Our Website address is: www.sctax.org

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.