



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**RENEWABLE FUELS  
CREDITS**  
Attach to your Income Tax Return

Name As Shown On Tax Return

SS No. or Fed. EI No.

**Production property credit**

- 1. Enter the amount of production property credit indicated in writing by the S.C. Department of Revenue ..... 1. \$ \_\_\_\_\_
- 2. Line 1 divided by 7. This credit must be taken in 7 equal annual installments ..... 2. \$ \_\_\_\_\_
- 3. Amounts carried forward from prior years ..... 3. \$ \_\_\_\_\_
- 4. Add lines 2 and 3 ..... 4. \$ \_\_\_\_\_

**Distribution and dispensing property credit**

- 5. Enter the amount of production property credit indicated in writing by the S.C. Department of Revenue ..... 5. \$ \_\_\_\_\_
- 6. Line 5 divided by 3. This credit must be taken in 3 equal annual installments ..... 6. \$ \_\_\_\_\_
- 7. Amounts carried forward from prior years ..... 7. \$ \_\_\_\_\_
- 8. Add lines 6 and 7 ..... 8. \$ \_\_\_\_\_

**Total credit**

- 9. Add lines 4 and 8 ..... 9. \$ \_\_\_\_\_
- 10. Enter your current year tax liability ..... 10. \$ \_\_\_\_\_
- 11. Enter the lesser of line 9 or line 10. This is your credit for the current year. Enter this amount on the appropriate tax credit schedule ..... 11. \$ \_\_\_\_\_

**General Information**

**I. Production property credit**

For facilities placed in service after 2006, but repealed effective for facilities placed in service after 2011, a taxpayer that constructs and places in service in this State a commercial facility for the production of renewable fuel is allowed a credit of 25% of the cost to the taxpayer of constructing or renovating a building and equipping the facility for the purpose of producing renewable fuel.

The entire credit may not be taken for the taxable year in which the facility is placed in service but must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. If the facility is disposed of or taken out of service during the first seven years, the credit expires and the taxpayer may not take any remaining installment of the credit.

A taxpayer's total credit in all years is limited to \$1,000,000.

The unused portion of an unexpired credit may be carried forward for 10 years.

## **Production property definitions**

For purposes of the production property credit, renewable fuel means liquid nonpetroleum based fuels that can be placed in motor vehicle fuel tanks and used as a fuel in a highway vehicle. It includes all forms of fuel commonly or commercially known or sold as biodiesel and ethanol.

Production of renewable fuel includes intermediate steps such as milling, crushing, and handling of feedstock and the distillation and manufacturing of the final product.

## **II. Distribution and dispensing property credit**

For facilities placed in service after 2006, but repealed effective for facilities placed in service after 2011, a taxpayer that purchases or constructs and installs and places in service in this State property used for distribution or dispensing renewable fuel at a new or existing commercial fuel distribution or dispensing facility is allowed a credit of 25% of the cost to the taxpayer of purchasing, constructing, and installing the property against the taxpayer's liability for a tax imposed pursuant to this chapter. A taxpayer qualifies for this credit if the equipment used to store, distribute, or dispense renewable fuel is labeled for this purpose and clearly identified as associated with renewable fuel.

The entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in three equal annual installments beginning with the taxable year in which the property is placed in service.

If, in one of the years in which the installment of a credit accrues, property directly and exclusively used for distributing, dispensing, or storing renewable fuel is disposed of or taken out of service and is not replaced, so that the facility no longer distributes, dispenses, or stores renewable fuel, the credit expires and the taxpayer may not take any remaining installment of the credit.

The unused portion of an unexpired credit may be carried forward for 10 years.

## **Distribution and dispensing property definitions**

For purposes of the distribution and dispensing property credit, Renewable fuel means E70 or greater ethanol fuel dispensed at the retail level for use in motor vehicles and pure ethanol or biodiesel fuel dispensed by a distributor or facility that blends these nonpetroleum liquids with gasoline fuel or diesel fuel for use in motor vehicles.

Eligible property includes pumps, storage tanks, and related equipment, that is directly and exclusively used for distribution, dispensing, or storing renewable fuel.

## **III. Limits on renewable fuel credits**

A taxpayer that claims any other credit provided in the Credits Article of the South Carolina Income Tax Act (Title 12, Chapter 6, Article 25) with respect to the costs of constructing and installing a facility may not take the credit allowed in this section with respect to the same costs.

Notwithstanding the credit amounts allowed pursuant to this section, for a fiscal year all claims made pursuant to this section must not exceed \$150,000 and must apply proportionately to all eligible claimants.

## **Social Security Privacy Act Disclosure**

It is mandatory that you provide your social security number on this tax form if you are an individual taxpayer. 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.