



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**MONTHLY SMALL BUSINESS  
JOBS TAX CREDIT**  
Attach to your Income Tax Return

**SC SCH. TC-4SM**  
(Rev. 3/21/07)  
3435  
**2006**

Names As Shown On Tax Return

SS No. or Fed. EI

**Step 1 - Meeting minimum number of required jobs**

**Part A**

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 Small Business Monthly Job Tax Credit (TC4-SM) for Tax Year 2006.

(3) Calculating the 120% threshold:

If gross wages are paid for the full month 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.

**2005 (previous year) threshold:**

- |   |                   |
|---|-------------------|
| 1. State's per capita income at the end of the previous year (see STEP 1, Part A instructions) . . . . .  | 1. \$ _____       |
| 2. County's per capita income at the end of the previous year (see STEP 1, Part A instructions) . . . . . | 2. \$ _____       |
| 3. Lesser of Line 1 or Line 2 . . . . .   | 3. \$ _____       |
| 4. 120% threshold percentage . . . . . X  | 4. \$ <u>120%</u> |
| 5. Multiply Line 3 by Line 4. This is the 120% threshold (Round to nearest whole dollar). . . . .         | 5. \$ _____       |
| 6. Number of months in a year . . . . . ÷   | 6. <u>12</u>      |
| 7. Divide Line 5 by Line 6. This is the monthly 120% threshold (Round to nearest whole dollar)            | 7. \$ _____       |

In the previous year, if gross wages were paid for the full month at or above the amount on Line 7, enter the job in Column A of Part B. If gross wages were paid for the full month below the amount on Line 7, enter the job in Column D of Part B. These are the number of jobs in the previous year in the 100% and 50% credit categories.

**STEP I, Part A (cont.)**

**2006 (tax year) threshold:**

- 8. State's per capita income at the end of the taxpayer's tax year (see STEP 1, Part A instructions) . . . . . 8. \$ \_\_\_\_\_
- 9. County's per capita income at the end of the taxpayer's tax year (see STEP 1, Part A instructions) . . . . . 9. \$ \_\_\_\_\_
- 10. Lesser of Line 8 or Line 9 . . . . . 10. \$ \_\_\_\_\_
- 11. 120% threshold percentage . . . . . X 11. 120%
- 12. Multiply Line 10 by Line 11. This is the 120% threshold (Round to nearest whole dollar) . . . . 12. \$ \_\_\_\_\_
- 13. Number of months in a year . . . . . ÷ 13. 12
- 14. Divide Line 12 by Line 13. This is the monthly 120% threshold (Round to nearest whole dollar). . . . . 14. \_\_\_\_\_

In the tax year, if gross wages are paid for the full month at or above the amount on Line 14, a new job qualifies for the 100% credit. If gross wages are paid for the full month below the amount on Line 14, a new job qualifies for the 50% credit.

**STEP I (cont.)**  
**Part B**

Fill in this chart to determine if you have met the required minimum average of new jobs. **Do not include jobs transferred from another facility:**

List of months in the Tax Year	(A) Number of full-time jobs $\geq$ 120% in Tax Year <b>2005</b> (Enter each qualifying part-time job as 0.5)	(B) Number of full-time jobs $\geq$ 120% in Tax Year <b>2006</b> (Enter each qualifying part-time job as 0.5)	(C) Column B minus Column A This is the increase in jobs $\geq$ 120%	(D) Number of full-time jobs $<$ 120% in Tax Year <b>2005</b> (Enter each qualifying part-time job as 0.5)	(E) Number of full-time jobs $<$ 120% in Tax Year <b>2006</b> (Enter each qualifying part-time job as 0.5)	(F) Column E minus Column D	(G) If the Column C monthly average is $<$ 2, add Columns C and F. Otherwise, enter the amount from Column F This is the increase in jobs $<$ 120% jobs
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
i. Total for All Months							
ii. Months in operation			÷				÷
iii. Monthly Average of new jobs: (Box i divided by Box ii)			$\frac{\text{Total for All Months}}{\text{Months in operation}}$ = monthly average of new jobs $\geq$ 120%  If $<$ 2, you do not qualify for the 100% credit. See Part C for additional requirements  Add amounts from this Column to Column G. Enter 0 in Columns H or L of STEP 2, Part A				$\frac{\text{Total for All Months}}{\text{Months in operation}}$ = monthly average of new jobs $<$ 120%

**STEP I (cont.)**  
**Part C**

Add the Monthly Averages of Columns C and Column G:

**Line 1** Monthly average of new jobs  $\geq$  120% (Column C, Block iii). (Enter 0 if the monthly average in Column C is less than 2 and include Column C amounts in Column G)  
**Tourism industries and certain "qualifying service related facilities" are required to create more than 2 jobs. See instructions for STEP 1, Part B.** . . . . . 1. \_\_\_\_\_

**Line 2** Monthly average of new jobs  $<$  120% (Column G, Block iii). . . . . 2. \_\_\_\_\_

**Line 3** Add lines 1 and 2. . . . . 3. \_\_\_\_\_

If the amount on Line 3 is less than 2, **STOP**. You do not qualify for the TC-4SM Small Business Monthly Job Tax Credit for Tax Year 2006. **Tourism industries and certain "qualifying service related facilities" are required to create more than 2 jobs. See instructions for STEP 1, Part B.**

**STEP 2 – Determining the maximum credit**

**Part A**

List of months in the Tax Year	(H) Positive amount from Column C (Net new jobs $\geq$ 120%)	(I) Negative amount from Column G (Net new jobs $<$ 120%)	(J) Column H reduced by Column I (Maximum 100% credit)	(K) Positive amount from Column G (Net new jobs $<$ 120%)	(L) Negative amount from Column C (Net new jobs $\geq$ 120%)	(M) Column K reduced by Column L (Maximum 50% credit)
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 of net new jobs (Box i divided by Box ii)			=			=

**Step 2 (cont.)**  
**Part B**

**100% Maximum Credit Calculation**

- Line 1** 100% credit amount for each job (see STEP 2, Part B instructions) . . . . . 1.\$ \_\_\_\_\_
- Line 2** Additional credit amount(s) (see STEP 2, Part B instructions). . . . . 2.\$ \_\_\_\_\_
- Line 3** Credit amount for each job (Box iii) for Column J. Add Lines 1 and 2 . . . . . 3.\$ \_\_\_\_\_
- Line 4** Average of net new jobs from Column J . . . . . 4. \_\_\_\_\_
- Line 5** Round Line 4 down to the nearest whole number. If the result is 1, enter 0 instead. . . . . 5. \_\_\_\_\_
- Line 6** Maximum 100% credit. Multiply Line 3 by Line 5. . . . . 6.\$ \_\_\_\_\_

**50% Maximum Credit Calculation**

- Line 7** 50% credit amount for each job (see STEP 2, Part B instructions). . . . . 7.\$ \_\_\_\_\_
- Line 8** Additional credit amount(s) (see STEP 2, Part B instructions) . . . . . 8.\$ \_\_\_\_\_
- Line 9** Credit amount for each job (Box iii) for Column M. Add Lines 7 and 8 . . . . . 9.\$ \_\_\_\_\_
- Line 10** Average of net new jobs from Column M . . . . . 10. \_\_\_\_\_
- Line 11** Line 4 minus Line 5 (from the 100% Maximum Credit Calculation). . . . . 11. \_\_\_\_\_
- Line 12** Add Lines 10 and 11. . . . . 12. \_\_\_\_\_
- Line 13** Round Line 12 down to the nearest whole number. If the result is 1 and the amount on  
Line 5 is 0, enter 0 . . . . . 13. \_\_\_\_\_
- Line 14** Maximum 50% credit. Multiply Line 9 by Line 13 . . . . . 14.\$ \_\_\_\_\_

**STEP 3 - Determining the tentative credit**

**Part A**

- Line 1** Credit amount for each job in Column O (STEP 2, Part B, Line 3) . . . . . 1. \$ \_\_\_\_\_
- Line 2** Multiplied by the monthly percentage (8.33%). . . . . X 2. \_\_\_\_\_ **0.0833**
- Line 3** **Monthly 100% credit amount for each job (prorated) (Do not round)** . . . . . 3. \$ \_\_\_\_\_

Enter this amount in the box for the tentative 100% credit amount for each job in Column O.

- Line 4** Credit amount for each job in Column S (STEP 2, Part B, Line 9). . . . . 4.\$ \_\_\_\_\_
- Line 5** Multiplied by the monthly percentage (8.33%). . . . . X 5. \_\_\_\_\_ **0.0833**
- Line 6** **Monthly 50% credit amount for each job (prorated) (Do not round)** . . . . . 6.\$ \_\_\_\_\_

Enter this amount in the box for the tentative 50% credit amount for each job in Part B, Column S.

**Step 3 (cont.)  
Part B**

List of months in the Tax Year	(N) Enter amounts from Column J (Maximum 100% credit)	(O) Round down amounts from Column N to the nearest whole number. Enter -0- instead of 1 (Tentative 100% credit)	(P) Column N minus Column O	(Q) Enter amounts from Column M (Maximum 50% credit)	(R) Add Columns P and Q	(S) Round down amounts from Column R to the nearest whole number. Enter -0- instead of 1 if the amount in Column O is -0- (Tentative 50% credit)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
i. Total						
ii. Tentative credit amount for each job		Tentative 100% credit amount for each job (Part A, Line 3)				Tentative 50% credit amount for each job (Part A, Line 6)
iii. Total X Tentative credit amount for each job (Box i multiplied by Box ii)		Total X Tentative 100% per job credit				Total X Tentative 50% per job credit

**STEP 4 – Allowable credit**

- Line 1** Maximum credit from STEP 2, Part B, Line 6 ..... 1. \_\_\_\_\_
- Line 2** Maximum credit from STEP 2, Part B, Line 14 ..... 2. \_\_\_\_\_
- Line 3** Total maximum credit. Add Lines 1 and 2. .... 3. \_\_\_\_\_
- Line 4** Tentative credit from Column O of STEP 3. .... 4. \_\_\_\_\_
- Line 5** Tentative credit from Column S of STEP 3. .... 5. \_\_\_\_\_
- Line 6** Total tentative credit. Add lines 4 and 5 ..... 6. \_\_\_\_\_
- Line 7** Enter the smaller of Lines 3 and 6 .....  
SC1065 and SC1120S filers, STOP here. Allocate credit to partners or shareholders on SCK-1. 7. \_\_\_\_\_
- Line 8** Your current tax year tax liability ..... 8. \_\_\_\_\_
- Line 9** Multiply Line 8 by 50% (0.50) ..... 9. \_\_\_\_\_
- Line 10** Enter the smaller of Line 7 or 9. Enter this amount on the appropriate tax credit  
schedule ..... 10. \_\_\_\_\_
- Line 11** Line 7 minus Line 10. This is your credit carryover to future years ..... 11. \_\_\_\_\_

## INSTRUCTIONS

### General Information

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, a taxpayer qualifying for the annual small business tax credit may instead claim the monthly small business job tax credit. The monthly credit allows the taxpayer to accelerate its use by claiming the credit in the year the jobs are created. The credit amount depends on the county in which the taxpayer is located, the amount of gross wages paid, the number of full months wages are paid, and other factors. If gross wages are paid for the full month 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. A minimum monthly average of two new full time jobs must be created for the tax year paying gross wages for the full month at or above the 120% threshold and a minimum increase of 2 jobs in the month in the "at or above" 120% wage threshold for the new jobs to qualify for the pro-rated 100% credit amount for that month.) The total credit for the year is limited to the maximum applicable annual credit. The credit is allowed for new, full time jobs for which wages are paid for the full month. The credit is claimed on the taxpayer's tax return for not more than 60 consecutive months and is claimed beginning with the first full month wages are paid for the new, full time jobs created.

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 – Meeting minimum number of required 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

Question 3 – 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 1 Instructions, Part A (cont.)

This chart includes per capita income for South Carolina and its counties through the end of Calendar Year 2006.

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

**STEP 1 Instructions, Part A (cont.)**

EXAMPLE A - A calendar year taxpayer with a facility (other than a tourism industry or qualifying service facility) located in Greenwood County

For the previous year, use the information available at the time the previous year ended:

**2005 (previous year) threshold:**

1. State's per capita income at the end of the previous year (see STEP 1, Part A instructions) . . . . .	1. \$ <u>27153</u> [from Information Letter #05-27]
2. County's per capita income at the end of the previous year (see STEP 1, Part A 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	4. <u>120%</u>
5. Multiply Line 3 by Line 4. This is the 120% threshold (Round to nearest whole dollar). . . . .	5. \$ <u>28706</u>
6. Number of months in a year . . . . . ÷	6. <u>12</u>
7. Divide Line 5 by Line 6. This is the monthly 120% threshold (Round to nearest whole dollar) .	7. <u>2392</u>

For the tax year, use the information available at the time the tax year ended:

**2006 (tax year) threshold:**

8. State's per capita income at the end of the taxpayer's tax year (see STEP 1, Part A instructions) . . . . .	8. \$ <u>28212</u> [from Information Letter #06-20]
9. County's per capita income at the end of the taxpayer's tax year (see STEP 1, Part A instructions) . . . . .	9. \$ <u>24935</u> [from Information Letter #06-20]
10. Lesser of Line 8 or Line 9 . . . . .	10. \$ <u>24935</u>
11. 120% threshold percentage . . . . . X	11. <u>120%</u>
12. Multiply Line 10 by Line 11. This is the 120% threshold (Round to nearest whole dollar) . . . . .	12. \$ <u>29922</u>
13. Number of months in a year . . . . . ÷	13. <u>12</u>
14. Divide Line 12 by Line 13. This is the monthly 120% threshold (Round to nearest whole dollar). 14.	<u>2494</u>

**Part B**

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

**Column A** – jobs in the previous year with gross wages at or above the 120% threshold. Use the formula below to adjust the gross wages and compare them to the monthly 120% threshold in Part A, Question 3, line 7.

$$\text{Monthly gross wages} \times 40 \text{ hours per full time work week} \div \text{number of hours worked per week}$$

Do not include any job unless wages were paid for the entire month. Include part-time jobs (working 20 or more hours a week) as 0.5, but only if wages were paid for the entire month.

## STEP 1 Instructions, Part B (cont.)

**Column B** – jobs in the tax year with gross wages at or above the 120% threshold. Use the formula below to adjust the gross wages and compare them to the monthly 120% threshold in Part A, Question 3, line 14.

$$\text{Monthly gross wages} \times 40 \text{ hours per full time work week} \div \text{number of hours worked per week}$$

Do not include any job unless wages were paid for the entire month. Include part-time jobs (working 20 or more hours a week) as 0.5, but only if wages were paid for the entire month.

**Column C** – new jobs created in the tax year with gross wages at or above the 120% threshold. Subtract Column A from Column B. The jobs in this Column may qualify for the 100% credit amount, but only if the monthly average of new jobs (total of new jobs divided by the number of months in operation) at or above the 120% threshold is 2 or more. If the monthly average of new jobs above the threshold is less than 2, all of the jobs in Column C can only qualify for the 50% credit. They are added into Column G.

**Column D** – jobs in the previous year with gross wages below the 120% threshold in Part A, Question 3, line 7. Do not include any job unless wages were paid for the entire month. Include part-time jobs (working 20 or more hours a week) as 0.5, but only if wages were paid for the entire month.

**Column E** – jobs in the tax year with gross wages below the 120% threshold. Do not include any job unless wages were paid for the entire month. Include part-time jobs (working 20 or more hours a week) as 0.5, but only if wages were paid for the entire month.

**Column F** – new jobs created in the tax year with gross wages below the 120% threshold. Subtract Column E from Column F. The jobs in this Column may qualify for the 100% credit amount.

**Column G** – If the monthly average of new jobs (Box iii) in Column C at or above the 120% threshold is less than 2, none of them will qualify for the 100% credit. Add the amounts in Columns C and F to calculate the 50% credit. Otherwise, include only the amounts in Column F.

**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).

### • **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, Part B (cont.)**

**EXAMPLE A - a calendar year taxpayer with a facility (other than a tourism industry or qualifying service facility) located in Greenwood County**

List of months in the Tax Year	(A) Number of full-time jobs $\geq$ 120% in Tax Year <b>2005</b> (Enter each qualifying part-time job as 0.5)	(B) Number of full-time jobs $\geq$ 120% in Tax Year <b>2006</b> (Enter each qualifying part-time job as 0.5)	(C) Column B minus Column A This is the increase in jobs $\geq$ 120%	(D) Number of full-time jobs $<$ 120% in Tax Year <b>2005</b> (Enter each qualifying part-time job as 0.5)	(E) Number of full-time jobs $<$ 120% in Tax Year <b>2006</b> (Enter each qualifying part-time job as 0.5)	(F) Column E minus Column D	(G) If the Column C monthly average is $<$ 2, add Columns C and F. Otherwise, enter the amount from Column F This is the increase in jobs $<$ 120% jobs
1 January	0	1	1	0	0	0	0
2 February	0	2	2	0	0	0	0
3 March	0	2	2	0	0	0	0
4 April	0	2	2	0	0	0	0
5 May	0	2	2	0	2	2	4
6 June	0	2	2	0	3	3	5
7 July	0	2	2	0	3	3	5
8 August	0	2	2	0	3	3	5
9 September	0	2	2	0	3	3	5
10 October	0	2	2	0	5	5	7
11 November	0	2	2	0	5	5	7
12 December	0	2	2	0	5	5	7
i. Total for All Months			23				52
ii. Months in operation			$\div$ 12				$\div$ 12
iii. Monthly Average of new jobs (Box i divided by Box ii)			= monthly average of new jobs $\geq$ 120% $\frac{23}{12}$ 1.92  If $<$ 2, you do not qualify for the 100% credit. See Part C for additional requirements  Add amounts from this Column to Column G. Enter 0 in Columns H or L of STEP 2, Part A				= monthly average of new jobs $<$ 120% $\frac{52}{12}$ 4.33



## STEP 2 Instructions – Determining the maximum credit amount

### Part A

#### EXAMPLE B – a facility in Edgefield County with no additional credit

(In this example, Columns A through G are not shown. Column C has an entry of -3 in each month.)

List of months in the Tax Year	(H) Positive amount from Column C (Net new jobs ≥ 120%)	(I) Negative amount from Column G (Net new jobs < 120%)	(J) Column H reduced by Column I (Maximum 100% credit)	(K) Positive amount from Column G (Net new jobs < 120%)	(L) Negative amount from Column C (Net new jobs ≥ 120%)	(M) Column K reduced by Column L (Maximum 50% credit).
1 January	0	( 0 )	0	4	( 3 )	1
2 February	0	( 0 )	0	4	( 3 )	1
3 March	0	( 0 )	0	4	( 3 )	1
4 April	0	( 0 )	0	4	( 3 )	1
5 May	0	( 0 )	0	4	( 3 )	1
6 June	0	( 0 )	0	5	( 3 )	2
7 July	0	( 0 )	0	8	( 3 )	5
8 August	0	( 0 )	0	10	( 3 )	7
9 September	0	( 0 )	0	11	( 3 )	8
10 October	0	( 0 )	0	7	( 3 )	4
11 November	0	( 0 )	0	7	( 3 )	4
12 December	0	( 0 )	0	4	( 3 )	1
i. Total for all months	0	( 0 )	0	72	( 36 )	36
ii. Number of months in operation			0			12
iii. Average of net new jobs (Box i divided by Box ii)			0			3.00

### Part B

#### Lines 1 and 7: 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				

**STEP 2 Instructions, Part B (cont.)**

**Lines 2: Additional credit amounts:**

- (1) A facility located in a multi-county business or 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".**

**EXAMPLE B (cont.) – a facility in Edgefield County with no additional credit**

**100% Maximum Credit Calculation**

Line 1	100% credit amount for each job (see STEP 2, Part B instructions). . . . .	1.	\$	<u>3500</u>
Line 2	Additional credit amount(s) (see STEP 2, Part B instructions). . . . .	2.	\$	<u>0</u>
Line 3	Credit amount for each job for Column J. Add lines 1 and 2 . . . . .	3.	\$	<u>3500</u>
Line 4	Average of net new jobs (Box iii) from Column J . . . . .	4.		<u>0</u>
Line 5	Round line 4 down to the nearest whole number. If the result is 1, enter 0 instead. . . . .	5.		<u>0</u>
Line 6	Maximum 100% credit. Multiply Line 3 by line 5. . . . .	6.	\$	<u>0</u>

**50% Maximum Credit Calculation**

Line 7	50% credit amount for each job (see STEP 2, Part B instructions). . . . .	7.	\$	<u>1750</u>
Line 8	Additional credit amount(s) (see STEP 2, Part B instructions). . . . .	8.	\$	<u>0</u>
Line 9	Credit amount for each job for Column M. Add lines 7 and 8 . . . . .	9.	\$	<u>1750</u>
Line 10	Average of net new jobs (Box iii) from Column M. . . . .	10.		<u>3.00</u>
Line 11	Line 4 minus line 5 (from the 100% Maximum Credit Calculation) . . . . .	11.		<u>0</u>
Line 12	Add Lines 10 and 11. . . . .	12.		<u>3.00</u>
Line 13	Round Line 12 down to the nearest whole number. If the result is 1 and the amount on line 5 is 0, enter 0 . . . . .	13.		<u>3</u>
Line 14	Maximum 50% credit. Multiply line 9 by Line 13 . . . . .	14.	\$	<u>5250</u>

**STEP 3 Instructions - Determining the tentative credit**

**EXAMPLE C** - a facility in Kershaw County with no additional credit  
(Columns A through M are not shown in this example.)

Part A

Line 1	Credit amount for each job in Column O (STEP 2, Part B, Line 3). . . . .	1.	\$	<u>1500</u>
Line 2	Multiplied by the monthly percentage (8.33%). . . . . X	2.		<u><b>0.0833</b></u>
Line 3	<b>Monthly 100% credit amount for each job (prorated) (Do not round).</b> . . . . .	3.	\$	<u>124.95</u>
Line 4	Credit amount for each job in Column S (STEP 2, Part B, Line 9) . . . . .	4.	\$	<u>750</u>
Line 5	Multiplied by the monthly percentage (8.33%). . . . . X	5.		<u><b>0.0833</b></u>
Line 6	<b>Monthly 50% credit amount for each job (prorated) (Do not round).</b> . . . . .	6.	\$	<u>62.475</u>

### Step 3 Instructions (cont.)

#### Part B

List of months in the Tax Year	(N) Enter amounts from Column J (Maximum 100% credit)	(O) Round down amounts from Column N to the nearest whole number. Enter -0- instead of 1 (Tentative 100% credit)	(P) Column N minus Column O	(Q) Enter amounts from Column M (Maximum 50% credit)	(R) Add Columns P and Q	(S) Round down amount from Column R to the nearest whole number. Enter -0- instead of 1 if the amount in Column O is -0- (Tentative 50% credit) .
1 January	1.5	0	1.5	0	1.5	0*
2 February	7.5	7	0.5	0	0.5	0
3 March	7.5	7	0.5	1.5	2	2
4 April	8	8	0	1.5	1.5	1**
5 May	8	8	0	1.5	1.5	1**
6 June	8	8	0	3.5	3.5	3
7 July	8	8	0	3.5	3.5	3
8 August	8	8	0	4.5	4.5	4
9 September	8	8	0	4.5	4.5	4
10 October	8	8	0	4.5	4.5	4
11 November	8	8	0	4.5	4.5	4
12 December	8	8	0	4.5	4.5	4
<b>i. Total</b>		86				30
<b>ii. Tentative credit amount for each job</b>		Tentative 100% credit amount for each job (Part A, Line 3)  124.95				Tentative 50% credit amount for each job (Part A, Line 6)  62.475
<b>iii Total X Tentative credit amount for each job (Box i multiplied by Box ii)</b>		Total X Tentative 100% per job credit  10746				Total X Tentative 50% per job credit  1874

\* The amount in Column R is rounded down to 1. Because the amount in Column O is -0-, the amount to enter in Column S is also 0.

\*\* The amount in Column R is rounded down to 1. Because the amount in Column O is not -0-, the amount to enter in Column S is 1.

### STEP 4 Instructions - Allowable credit

Line 1. Enter the maximum credit from STEP 2, Part B, Line 6. This is the 100% credit using the annual calculation.

Line 2. Enter the maximum credit from STEP 2, Part B, Line 14. This is the 50% credit using the annual calculation.

Line 3. Add Lines 1 and 2. This is your Total annual credit.

Line 4. Enter the tentative credit from Column O of STEP 3. This is the 100% credit using the monthly calculation.

Line 5. Enter the tentative credit from Column S of STEP 3. This is the 50% credit using the monthly calculation.

Line 6. Add Lines 4 and 5. This is your Total monthly credit.

**STEP 4 (cont.)**

Line 7 Enter the smaller of Lines 3 and 6. This is your total allowable credit for Tax Year 2006. If you are filing SC1065 or SC1120S, this amount is generally passed on to your partners or shareholders.

Line 8 Enter your current tax year tax liability.

Line 9 The credit you can use in any given year is limited to 50% of your tax liability.

Line 10 Enter the smaller of Line 7 or 9.

Line 11 This is the amount of your credit carryover to future 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.

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**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.