



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE

**RESEARCH EXPENSES CREDIT**

Attach to your Income Tax Return

**SC SCH. TC-18**

(8/12/04)  
3368

**20**\_\_\_\_\_

Name As Shown On Tax Return

Fed. EI No.

- 1. Qualified research expenses made in South Carolina. . . . . \$ \_\_\_\_\_
- 2. Enter 5% of line 1. This is your current year credit. . . . . \_\_\_\_\_
- 3. Research Expenses Credit carry-overs from previous years (attach schedule) . . . . . \_\_\_\_\_
- 4. Total Research Expenses Credit before limitations (Line 2 + Line 3). . . . . \_\_\_\_\_
- 5. Remaining Tax Liability (after other credits but before taking  
Research Expenses Credit). \_\_\_\_\_
- 50% limitation x \_\_\_\_\_ .50
- Research Expenses Credit Limitation . . . . . \_\_\_\_\_
- 6. Enter the lesser of line 4 or line 5. This is your allowable Research Expenses Credit.  
Enter this amount on the appropriate tax credit schedule. . . . . \$ \_\_\_\_\_
- 7. Carry-over to future years (Line 4 - Line 6). . . . . \$ \_\_\_\_\_

**GENERAL INSTRUCTIONS**

A credit is allowed against the South Carolina corporate income tax of section 12-6-530 or the license fee of section 12-20-50 for corporations claiming a research expenses tax credit (pursuant to Section 41 of the Internal Revenue Code) on their Federal Corporate tax return. The credit is 5% of the Corporation's qualified research expenses (as defined by Internal Revenue Code Section 41(b)) for the taxable year which are made in South Carolina.

The research expenses credit taken in any one taxable year may not exceed fifty percent of the taxpayer's remaining tax liability after all other credits have been applied. Any unused credit may be carried over to the immediately succeeding taxable year, except that the credit carry-over may not be used for a taxable year that begins on or after ten years from the date of the qualified expenditure. Credit is effective for tax years beginning after June 30, 2001. For more information see South Carolina Code Section 12-6-3415.

**NOTICE:** Effective June 18, 2003, qualified expenditures for research and development has been changed to qualified research expenses.

**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.