



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CREDIT FOR TEXTILES REHABILITATION
Effective for property placed in service after June 30, 2004
Attach to your Income Tax Return

Name As Shown On Tax Return

SS No. or Fed. EI No.

1. Enter the amount of the rehabilitation expenses made to an eligible site placed in service during the tax year 1. \$ _____
2. Enter 25% of the amount on line 1. This is the credit amount earned in the current year 2. \$ _____
3. Enter 20% of line 2 if the property was placed in service during this tax year; OR enter the installment amount from line 3 of a previous year's TC-23 if the property was placed in service before this year. This is your annual installment amount..... 3. \$ _____
4. Enter the amount carried forward from previous tax years 4. \$ _____
5. Add lines 3 and 4 5. \$ _____
6. Enter your current year tax liability 6. \$ _____
7. Current year credit limit. Multiply line 6 by 50% (.50) 7. \$ _____
8. Enter the lesser of lines 5 and 7. This is your current year credit. Enter this amount on the appropriate tax credit schedule..... 8. \$ _____
9. Subtract line 8 from line 5. Unused credit may be carried forward for 5 years 9. \$ _____

GENERAL INSTRUCTIONS

NOTE: The Textiles Communities Revitalization Act has been recodified as Chapter 65 of Title 12.

Effective June 12, 2008, a taxpayer who rehabilitates a textile mill site is eligible for either: (1) a credit against real property taxes levied by local taxing entities; or (2) a credit against individual or corporate income tax, bank tax and/or corporate license fees.

For sites acquired after December 31, 2007, a taxpayer electing the credit against income tax, bank tax or license fees must file a Notice of Intent to Rehabilitate with the department before incurring any rehabilitation expenses. Otherwise, any expenses incurred before filing the Notice may not be included in calculating the credit. If the actual rehabilitation expenses are between 80% and 125% of the expenses estimated in the filed Notice, the credit is 25% of the actual expenses. If the actual expenses are more than 125%, the credit is 25% of 125% of the estimated expenses. If the actual expenses are less than 80%, there is no credit.

The credit claimed must be used in equal installments over a 5-year period beginning with the tax year in which the applicable phase or portion of the mill site is placed in service. Unused credit may be carried forward for five years. The credit may be claimed along with the Certified Historic Structure Credit (TC-21). The credit may not exceed 50% of the taxpayer's income tax, bank tax or corporate license fees for the tax year.

The taxpayer may transfer any unused credit for any part of the site to the lessee of the site. If the site or any phase or portion is sold, the taxpayer may transfer all or part of the unused credit applicable to site, phase or portion sold. The taxpayer must notify the department of any transfer in a manner prescribed by the department.

To the extent that the taxpayer is a partnership or a limited liability company taxed as a partnership, the credit may be passed through to the partners or members and may be allocated among any of its partners or members including, without limitation, an allocation of the entire credit to one partner or member.

A taxpayer that owned the site prior to its abandonment is not eligible for the credit. The area of any site acquired after December 31, 2007 is limited to the land located within the boundaries of the textile manufacturing structure. The credit may be claimed on TC-23.

DEFINITIONS

“Abandoned” means that at least eighty percent of the textile mill has been closed continuously to business or otherwise nonoperational as a textile mill for a period of at least one year immediately preceding the date on which the taxpayer files a 'Notice of Intent to Rehabilitate'. For purposes of this item, a textile mill site that otherwise qualifies as abandoned may be subdivided into separate parcels, which parcels may be owned by the same taxpayer or different taxpayers, and each parcel is deemed to be a textile mill site for purposes of determining whether each subdivided parcel is considered to be abandoned.

“Ancillary uses” means uses related to the textile manufacturing, dyeing, or finishing operations on a textile mill site consisting of sales, distribution, storage, water runoff, wastewater treatment and detention, pollution control, landfill, personnel offices, security offices, employee parking, dining and recreation areas, and internal roadways or driveways directly associated with such uses.

“Textile mill” means a facility or facilities that were last used for textile manufacturing, dyeing, or finishing operations and for ancillary uses to those operations.

“Textile mill site” means the textile mill together with the land and other improvements on it which were used directly for textile manufacturing operations or ancillary uses. However, the area of the site is limited to the land located within the boundaries where the textile manufacturing, dyeing, or finishing facility structure is located and does not include land located outside the boundaries of the structure or devoted to ancillary uses. Notwithstanding the provisions of this item, with respect to any site acquired by a taxpayer before January 1, 2008, or a site located on the Catawba River near Interstate 77, the textile mill site includes the textile mill structure, together with all land and improvements which were used directly for textile manufacturing operations or ancillary uses, or were located on the same parcel within one thousand feet of any textile mill structure or ancillary uses.

“Local taxing entities” means a county, municipality, school district, special purpose district, and other entity or district with the power to levy ad valorem property taxes against the textile mill site.

“Placed in service” means the date upon which the textile mill site is completed and ready for its intended use. If the textile mill site is completed and ready for use in phases or portions, each phase or portion is considered to be placed in service when it is completed and ready for its intended use.

“Rehabilitation expenses” means the expenses or capital expenditures incurred in the rehabilitation, renovation, or redevelopment of the textile mill site, including without limitations, the demolition of existing buildings, environmental remediation, site improvements and the construction of new buildings and other improvements on the textile mill site, but excluding the cost of acquiring the textile mill site or the cost of personal property located at the textile mill site. For expenses associated with a textile mill site to qualify for the credit, the textile mill and buildings on the textile mill site must be either renovated or demolished.

“Notice of Intent to Rehabilitate” means, with respect to a textile mill site acquired by a taxpayer after December 31, 2007, a letter submitted by the taxpayer to the department or the municipality or county as specified in this chapter, indicating the taxpayer's intent to rehabilitate the textile mill site, the location of the textile mill site, the amount of acreage involved in the textile mill site, and the estimated expenses to be incurred in connection with rehabilitation of the textile mill site. The notice also must set forth information as to which buildings the taxpayer intends to renovate, which buildings the taxpayer intends to demolish, and whether new construction is to be involved.

LINE INSTRUCTIONS

- Line 1:** Enter the amount of rehabilitation expenses made to an eligible site placed in service during the tax year.
- Line 2:** The SC credit amount is 25% of rehabilitation expenses.
- Line 3:** The credit is claimed in equal installments over a 5-year period beginning with the tax year that the property is placed in service. Enter 20% of line 2 on line 3. If the property was placed in service in a prior year, enter the amount from line 3 of last year's TC-23.
- Line 4:** Annual installments that exceed a taxpayer's tax liability can be carried forward for five consecutive years.
- Line 5:** The total available credit is the amount of this year's annual installment plus any amount carried forward from prior years.
- Line 6:** Enter your current year tax liability.
- Line 7:** The current year credit limit is 50% of your current tax year liability.
- Line 8:** The allowable credit is the lesser of the available credit or 50% of this year's tax liability.
- Line 9:** The amount of available credit you are unable to use is the amount you are allowed to carry forward for five consecutive years.

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.