



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**APPLICATION FOR  
ETHANOL OR BIODIESEL  
PRODUCTION CREDIT**  
Attach to your Income Tax Return

**SC SCH.TC-40A**  
(Rev. 12/14/07)  
3450  
**2008**

Name As Shown On Tax Return \_\_\_\_\_

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Mailing Address \_\_\_\_\_

\_\_\_\_\_ Street

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City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

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Physical Address \_\_\_\_\_

\_\_\_\_\_ Street

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City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

SS No. or Fed EI No. \_\_\_\_\_

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Contact Person \_\_\_\_\_

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Contact Person's Title \_\_\_\_\_

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Telephone Number \_\_\_\_\_

( ) \_\_\_\_\_

Fax Number \_\_\_\_\_

( ) \_\_\_\_\_

Email \_\_\_\_\_

**Complete a separate TC-40A for each facility.**  
**All applications must be submitted by July 15, 2008.**

**Credit Computation**

1. Number of facilities qualifying for this credit (Complete a separate TC-40A for each.) ..... 1. \_\_\_\_\_
  2. My facility is (check one):
    - a. A corn-based ethanol production facility.
    - b. A soy-based biodiesel production facility.
    - c. An ethanol production facility using a feedstock other than corn.
    - d. A biodiesel production facility using a feedstock other than soy oil.
  3. Facility's name plate design capacity specified either as (check one):
    - a. Bushels of grain ground per year ..... 3a. \_\_\_\_\_ bushels
    - b. Gallons of ethanol or biodiesel produced per year..... 3b. \_\_\_\_\_ gallons
  4. Divide the amount on line 3 by 12. This is the monthly amount of name plate design capacity. 4. \_\_\_\_\_
  5. a. If you answered a or b in Question 2, in what month did production meet or exceed 25% of the amount on line 4? ..... 5a. \_\_\_\_\_  
MM/YY
  - b. If you answered c or d in Question 2, in what month did production meet or exceed the required minimum rates of the name plate design capacity? ..... 5b. \_\_\_\_\_  
MM/YY
- If production never met or exceeded the amount mentioned in line 5a or 5b during any month, **STOP**. You do not qualify for this credit

5. a. If you answered a or b in Question 2, in what month did production meet or exceed 25% of the amount on line 4? ..... 5a. \_\_\_\_\_  
MM/YY

b. If you answered c or d in Question 2, in what month did production meet or exceed the required minimum rates of the name plate design capacity? ..... 5b. \_\_\_\_\_  
MM/YY

If production never met or exceeded the amount mentioned in line 5a or 5b during any month, **STOP**. You do not qualify for this credit

6. Did the facility maintain an average production rate above the amount referred to in line 5 during the six-month period starting with the month specified in line 5?

YES

NO

If you answered "NO," **STOP**, you do not qualify for this credit.

7. Total gallons of ethanol or biodiesel, before denaturing, produced during the tax year ..... 7. \_\_\_\_\_ gallons

8. Enter 0.20 if you checked a or b in Question 2. Enter 0.30 if you checked c or d in Question 2. 8. \$ \_\_\_\_\_

9. Multiply line 7 by line 8. This is the tentative amount of credit for the current tax year..... 9. \$ \_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Officer (or other appropriate official)

**Mail To: SC Department of Revenue  
Research & Review  
Columbia, SC 29214-0019**

\_\_\_\_\_  
Print Officer's Name

\_\_\_\_\_  
Title

**NOTE:** The amount on line 9 is the maximum amount of credit possible. The total amount of credit for all eligible claims for a fiscal year is limited to \$800,000. The Department will determine the actual credit amount after the deadline for filing claims.

## Purpose of Form

SC SCH. TC-40 provides a credit for the production of ethanol or biodiesel. The total amount of credit for a fiscal year may not exceed \$800,000. The fiscal year runs from July 1 through June 30 of the following calendar year. If the fiscal year limit is exceeded, credits will apply proportionately among eligible claimants. All claims arising from tax years beginning between January 1, 2007 and June 30, 2007 must be filed by July 15, 2008.

## General Information

For tax years beginning after 2006 and before 2014, a corn-based ethanol or soy-based biodiesel production facility may qualify for an income tax credit of 20¢ for each gallon produced of corn-based ethanol or soy-based biodiesel, before denaturing. The credit is allowed for 60 months beginning with the first month for which the facility is eligible to receive the credit and ending no later than December 31, 2014. A facility becomes eligible in the first month that the production rate is 25% or more of its name plate design capacity, before denaturing, and it must maintain an average production rate of 25% or more for at least the first 6 months. The facility must become eligible on or before December 31, 2009 in order to qualify for the credit.

Also for tax years beginning after 2006 and before 2014, an ethanol production facility using a feedstock other than corn or a biodiesel production facility using a feedstock other than soy oil may qualify for an income tax credit of 30¢ for each gallon produced of non-corn ethanol or non-soy oil biodiesel, before denaturing. The credit is allowed for 60 months beginning with the first month for which the facility is eligible to receive the credit and ending no later than December 31, 2014. A facility becomes eligible in the first month that it produces at or above the minimum rates required by Code Section 12-6-3600(B) of its name plate design capacity, and it must maintain an average production rate at or above the required minimum production rate for at least the first 6 months. The facility must become eligible on or before December 31, 2009 in order to qualify for the credit.

Before 2014, no more than 25,000,000 gallons of ethanol or biodiesel produced in a year may qualify for the original production credit. A producer may claim a credit only for the periods specified.

No more than 125,000,000 gallons of ethanol or biodiesel produced at an ethanol or biodiesel facility by the end of the 60-month period is eligible for the credit.

The Department of Revenue may examine or cause to have examined, by any agent or representative designated for that purpose, any relevant books, papers, records, or memoranda for purposes of ascertaining the correctness of any application for claiming a credit.

## Definitions:

An ethanol facility is a plant or facility primarily engaged in the production of ethanol or ethyl alcohol derived from renewable and sustainable bioproducts used as a substitute for gasoline fuel.

A biodiesel facility is a plant or facility primarily engaged in the production of plant or animal based fuels used as a substitute for diesel fuel.

Name plate design capacity is the original designed capacity of an ethanol or biodiesel facility. Capacity may be specified as bushels of grain ground or gallons of ethanol or biodiesel produced a year.

Only ethanol or biodiesel produced at a plant in South Carolina where all fermentation, distillation, and dehydration takes place qualifies for any credit. No credit is allowed for ethanol or biodiesel produced or sold for use in the production of distilled spirits.

## 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.