



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
QUALIFIED RETIREMENT PLAN
CONTRIBUTION CREDIT

Name As Shown On Tax Return

SS No.

Please read the following before completing this form to determine if you are eligible to claim this credit.

The qualified retirement plan contribution credit is available only if a taxpayer lived in one or more other states that taxed contributions into qualified retirement plans at the time they were made. The taxpayer must be vested in the other state's retirement plan at the time of residing in the other state. Qualified retirement plans are retirement plans defined in I.R.C. 401, 403, 408 and 457, and all public employee retirement plans of the federal, state and local governments, including military retirement.

The credit is claimed each year in an amount based on the taxpayer's life expectancy at the time the taxpayer first claims the South Carolina retirement income deduction. The life expectancy table is available in Appendix C of Publication 590 available at www.irs.gov.

The total credit is limited to the amount of contributions taxed each year multiplied by 7% (South Carolina's highest marginal rate for individual income tax).

- 1. Total qualified retirement plan contributions taxed by another state.
2. Multiply line 1 by 7%.
3. Total taxes paid to another state on contributions listed on line 1.
4. Enter the lesser of lines 2 and 3.
5. Life expectancy from Appendix C of Publication 590 based on age at the time the SC retirement deduction is first claimed.
6. Divide line 3 by line 5. (This is your annual credit.)

Example: John Doe moved into South Carolina January 1, 2000. He resided in State Y from 1996 through 1999. State Y taxed his IRA contributions for each of those years, even though they were exempt on his federal returns. He first claims the retirement deduction on his 2005 South Carolina return at age 52.

His W-2s for 1996, 1997, 1998 and 1999 show the following amounts:

Table with 6 columns: Tax Year, IRS Taxed, State Y Taxed, Difference, State Y Tax Rate, State Y Tax Paid. Rows for 1996, 1997, 1998, 1999, and Total.

Mr. Doe paid a total tax of \$516 to State Y on his retirement contributions.

He is entitled to a credit based on his life expectancy at the time he first claims a retirement deduction in 2005 at age 52. According to Appendix C of Publication 590, the life expectancy of a 52-year-old is 32.3 years.

The credit equals \$516 (total tax paid to State Y) divided by 32.3 (life expectancy when he first claims the retirement deduction), rounded off to the nearest whole dollar. The amount of his annual retirement contribution credit is \$16.00.

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3. Total taxes paid to another state on contributions listed on line 1.
4. Enter the lesser of lines 2 and 3.
5. Life expectancy from Appendix C of Publication 590 based on age at the time the SC retirement deduction is first claimed.
6. Divide line 3 by line 5. (This is your annual credit.)

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.