

**Tax Incentives for Economic Development in South Carolina  
Corporate and Individual Income Tax Credits Claimed  
Rebates / Transfers / Appropriations  
Fiscal Year 2008-09 (Tax Year 2008)**



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**June 23, 2011**

**State of South Carolina  
South Carolina Budget & Control Board  
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## **Tax Incentives for Economic Development**

### **Section A. Job or Employee Credits and Incentives**

#### **Job Tax Credit**

**Year Enacted – 1995**

**Explanation** – A qualifying business is permitted a tax credit against income (corporate and individual) tax, bank tax, or insurance premium tax for creating new, full-time jobs in the state. A business must be engaged in manufacturing, processing, tourism, warehousing, banking, distribution, or research and development, or must be a qualifying service-related facility, a corporate office facility, extraordinary retail establishment, or a technology intensive facility. Businesses engaged in construction, public utilities and state and local government are not eligible for a job tax credit. A retail facility or service related industry that is located in a distressed county or a least developed county is eligible for a job tax credit. Also, for tax years beginning after 2007, an industry located in an underdeveloped county not traversed by an interstate highway may also qualify for the credit. Generally, a business may hire at least ten (10) employees at a single location to qualify for the credit. Tax credits range from \$1,500 to \$8,000 per year for each job created depending on the county designation. The county designations are determined by the average ranking of the county's unemployment rate and per capita income for the latest thirty-six (36) month period as of November 1<sup>st</sup> of each year. Tax credits may be claimed beginning in tax Years 2 through 6 after job creation in Year 1 for a total of five (5) years. Tax credits may be carried forward for fifteen (15) years and are limited to fifty (50) percent of tax liability of the company.

#### **Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>124</b>
<b>Amount of Credits Claimed –</b>	<b>\$41,479,523</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>427</b>
<b>Amount of Credits Claimed –</b>	<b>\$9,768,572</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>551</b>
<b>Amount of Credits Claimed –</b>	<b>\$51,248,095</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 3,482</b> <b>Amount of Credits Claimed – \$445,141,027</b></p>
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**Primary Code Section**

**SECTION 12-6-3360.** Job tax credit.

(A) Taxpayers that operate manufacturing, tourism, processing, warehousing, distribution, research and development, corporate office, qualifying service-related facilities, extraordinary retail establishment, qualifying technology intensive facilities, and banks as defined pursuant to this title are allowed an annual jobs tax credit as provided in this section. In addition, taxpayers that operate retail facilities and service-related industries qualify for an annual jobs tax credit in counties designated as least developed or distressed, and in counties that are under developed and not traversed by an interstate highway. As used in this section, “corporate office” includes general contractors licensed by the South Carolina Department of Labor, Licensing and Regulation. Credits pursuant to this section may be claimed against income taxes imposed by Section 12-6-510 or 12-6-530, bank taxes imposed pursuant to Chapter 11 of this title, and insurance premium taxes imposed pursuant to Chapter 7 of Title 38, and are limited in use to fifty percent of the taxpayer’s South Carolina income tax, bank tax, or insurance premium tax liability. In computing a tax payable by a taxpayer pursuant to Section 38-7-90, the credit allowable pursuant to this section must be treated as a premium tax paid pursuant to Section 38-7-20.

(B) The department shall rank and designate the state’s counties by December thirty-first each year using data from the South Carolina Employment Security Commission and the United States Department of Commerce. The county designations are effective for taxable years that begin in the following calendar year. A county’s designation may not be lowered in credit amount more than one tier in the following calendar year. The counties are ranked using the last three completed calendar years of per capita income data and the last thirty-six months of unemployment rate data that are available on November first, with equal weight given to unemployment rate and per capita income as follows:

(1)(a) The twelve counties with a combination of the highest unemployment rate and lowest per capita income are designated distressed counties. Notwithstanding any other provision of law, no more than twelve counties may be designated or classified as distressed and notwithstanding any other provision of this section, a county may be designated as distressed only by virtue of the criteria provided in this subitem.

(b) A category with the same criteria as provided in subitem (a) of this item is designated least developed county which consists of underdeveloped counties otherwise eligible for this category.

(2) The twelve counties with a combination of the next highest unemployment rate and next lowest per capita income are designated underdeveloped counties.

(3) The eleven counties with a combination of the next highest unemployment rate and the next lowest per capita income are designated moderately developed counties.

(4) The eleven counties with a combination of the lowest unemployment rate and the highest per capita income are designated developed counties.

(5)(a) A county, any portion of which is located within twenty-five miles of the boundaries of an applicable military installation or applicable federal facility as defined in Section 12-6-3450(1), shall receive the next increased credit designation for five years beginning with the year in which the military installation or federal facility became an applicable military installation or applicable federal facility as defined in Section 12-6-3450(1), with the additional requirement that the military installation must have reduced employment on the installation of at least three thousand employees.

(b) In addition to the designation in subitem (a), a county in which an applicable military installation or applicable federal facility is located is allowed an additional increased credit designation for five years beginning with the year the installation or facility meets the requirements.

(c) Notwithstanding the designations in Section 12-6-3360, Laurens, Cherokee, and Union Counties shall qualify for the next increased credit designation.

(d) In a county where less than five percent of the work force is in manufacturing, the credit allowed is one tier higher than the credit for which the county would otherwise qualify.

(e) For a job created in a county that is not traversed by an interstate highway, the credit allowed is one tier higher than the credit for which jobs created in the county would otherwise qualify. This subitem does not apply to a job created in a county eligible for a higher tier pursuant to another provision of this item.

(f) In a county in which one employer has lost at least 1,500 jobs in a calendar year, the credit allowed is one tier higher than the credit for which the county would otherwise qualify. The one-tier-higher credit allowed by this subsection is allowed for five taxable years for jobs created in 2006, 2007, and 2008. This subsection does not apply to a job created in a county eligible for a higher tier pursuant to another provision of this section.

(g) In a county which is at least one thousand square miles in size and which has had an unemployment rate greater than the state average for the past ten years and an average per capita income lower than the average state per capita income for the past ten years, and which is not included in any of the county classifications contained in subitems (a) through (f) of this item, the credit allowed is two tiers higher than the credit for which the county otherwise would qualify.

(h) In a county in which one employer has lost at least 1,500 jobs in calendar year 2006, the credit allowed is three tiers higher than the credit for which the county would otherwise qualify. The three-tier-higher credit allowed by this subsection is allowed for five taxable years for jobs created in 2007 and 2008. This subsection does not apply to a job created in a county eligible for a higher tier pursuant to another provision of this section.

(C)(1) Subject to the conditions provided in subsection (N) of this section, a job tax credit is allowed for five years beginning in year two after the creation of the job for each new full-time job created if the minimum level of new jobs is maintained. The credit is

available to taxpayers that increase employment by ten or more full-time jobs, and no credit is allowed for the year or any subsequent year in which the net employment increase falls below the minimum level of ten. The amount of the initial job credit is as follows:

- (a) Eight thousand dollars for each new full-time job created in distressed counties.
- (b) Four thousand five hundred dollars for each new full-time job created in least developed counties.
- (c) Three thousand five hundred dollars for each new full-time job created in under developed counties.
- (d) Two thousand five hundred dollars for each new full-time job created in moderately developed counties.
- (e) One thousand five hundred dollars for each new full-time job created in developed counties.

(2)(a) Subject to the conditions provided in subsection (N) of this section, a job tax credit is allowed for five years beginning in year two after the creation of the job for each new full-time job created if the minimum level of new jobs is maintained. The credit is available to taxpayers with ninety-nine or fewer employees that increase employment by two or more full-time jobs, and may be received only if the gross wages of the full-time jobs created pursuant to this section amount to a minimum of one hundred twenty percent of the county's or state's average per capita income, whichever is lower. No credit is allowed for the year or any subsequent year in which the net employment increase falls below the minimum level of two. The amount of the initial job credit is as described in (C)(1).

(b) If the taxpayer with ninety-nine or fewer employees increases employment by two or more full-time jobs but the gross wages do not amount to a minimum one hundred twenty percent of the county's or state's average per capita income, whichever is lower, then the amount of the initial job credit is as follows:

- (i) Four thousand dollars for each new full-time job created in distressed counties.
- (ii) Two thousand two hundred fifty dollars for each new full-time job created in least developed counties.
- (iii) One thousand seven hundred fifty dollars for each new full-time job created in under developed counties.
- (iv) One thousand two hundred fifty dollars for each new full-time job created in moderately developed counties.
- (v) Seven hundred fifty dollars for each new full-time job created in developed counties.

(D) If the taxpayer qualifying for the new jobs credit under subsection (C) creates additional new full-time jobs in years two through six, the taxpayer may obtain a credit for those new jobs for five years following the year in which the job is created. The amount of the credit for each new full-time job is the same as provided in subsection (C).

(E)(1) Taxpayers which qualify for the job tax credit provided in subsection (C) and which are located in a business or industrial park jointly established and developed by a group of counties pursuant to Section 13 of Article VIII of the Constitution of this State are allowed an additional one thousand dollar credit for each new full-time job created. This additional credit is permitted for five years beginning in the taxable year following the creation of the job.

(2) Taxpayers which otherwise qualify for the job tax credit provided in subsection (C) and which are located and the qualifying jobs are located on property where a response action has been completed pursuant to a nonresponsible party voluntary cleanup contract pursuant to Article 7, Chapter 56 of Title 44, the Brownfields Voluntary Cleanup Program, are allowed an additional one thousand dollar credit for each new full-time job created. This additional credit is permitted for five years beginning in the taxable year following the creation of the job. No credit under this item is allowed a taxpayer that is a “responsible party” as defined in that article.

(F)(1) The number of new and additional new full-time jobs is determined by comparing the monthly average number of full-time employees subject to South Carolina income tax withholding in the applicable county for the taxable year with the monthly average in the prior taxable year. For purposes of calculating the monthly average number of full-time employees in the first year of operation in this State, a taxpayer may use the actual months in operation or a full twelve-month period. If a taxpayer’s business is in operation for less than twelve months a year, the number of new and additional new full-time jobs is determined using the monthly average for the months the business is in operation.

(2)(a) A taxpayer who makes a capital investment of at least fifty million dollars at a single site within a three-year period may elect to have the number of new and additional new full-time jobs determined by comparing the monthly average number of full-time jobs subject to South Carolina income tax withholding at the site for the taxable year with the monthly average for the prior taxable year.

(b) For purposes of this item, “single site” means a stand-alone building whether or not several stand-alone buildings are located in one geographical location.

(c) The calculation of new and additional jobs provided for in this item is allowed for only a five-year period commencing in the year in which the fifty million dollars of capital investment is completed.

(d) For purposes of this subsection a “new job” does not include a job transferred from one site to another site by the taxpayer or a related person. A related person includes any entity or person that bears a relationship to the taxpayer as set forth in Section 267 of the Internal Revenue Code. However, this exclusion of a new job created by a job transferred from one site to another site does not extend to a job created at a new or expanded facility located in a county in which is located an “applicable federal facility” as defined in Section 12-6-3450(A)(1)(b).

(G) Except for credits carried forward under subsection (H), the credits available under this section are only allowed for the job level that is maintained in the taxable year that the credit is claimed. If the job level for which a credit was claimed decreases, the five-year period for eligibility for the credit continues to run.

(H) A credit claimed pursuant to this section but not used in a taxable year may be carried forward for fifteen years from the taxable year in which the credit is earned by the taxpayer. Credits that are carried forward must be used in the order earned and before jobs credits claimed in the current year. A taxpayer who earns credits allowed by this section and who also is eligible for the moratorium provided in Section 12-6-3367 may claim the credits and may carry forward unused credits beginning after the moratorium period expires.

(I) The merger, consolidation, or reorganization of a taxpayer, where tax attributes survive, does not create new eligibility in a succeeding taxpayer, but unused job tax credits may be transferred and continued by the succeeding taxpayer subject to the limitations of Section 12-6-3320. In addition, a taxpayer may assign its rights to its jobs tax credit to another taxpayer if it transfers all or substantially all of the assets of the taxpayer or all or substantially all of the assets of a trade or business or operating division of a taxpayer related to the generation of the jobs tax credits to that taxpayer if the required number of new jobs is maintained for that amount of credit. A taxpayer is not allowed a jobs tax credit if the net employment increase for that taxpayer falls below two. The appropriate agency shall determine if qualifying net increases or decreases have occurred and may require reports, adopt rules or promulgate regulations, and hold hearings needed for substantiation and qualification.

(J) For a taxpayer which plans a significant expansion in its labor forces at a location in this State, the appropriate agency shall prescribe certification procedures to ensure that the taxpayer can claim credits in future years even if a particular county is removed from the list of distressed, least developed, under developed, or moderately developed counties.

(K)(1) An S corporation, limited liability company taxed as a partnership, or partnership that qualifies for a credit under this section may pass through the credit earned to each shareholder of the S corporation, partner of the partnership, or member of the limited liability company. For purposes of this subsection, limited liability company means a limited liability company taxed as a partnership.

(a) The amount of the credit allowed a shareholder, partner, or member by this subsection is equal to the shareholder's percentage of stock ownership, partner's interest in the partnership, or member's interest in the limited liability company for the taxable year multiplied by the amount of the credit earned by the entity. This nonrefundable credit is allowed against taxes due under Section 12-6-510 or 12-6-530 and bank taxes imposed pursuant to Chapter 11 of this title and may not exceed fifty percent of the shareholder's, partner's, or member's tax liability under Section 12-6-510 or 12-6-530 or bank tax liability imposed pursuant to Chapter 11 of this title.

(b) Notwithstanding subitem (a), the credit earned pursuant to this section by an S corporation owing corporate level income tax must be used first at the entity level. Only the remaining credit passes through to each shareholder.

(3) A credit claimed pursuant to this subsection but not used in a taxable year may be carried forward by each shareholder, partner, or member for fifteen years from the close of the tax year in which the credit is earned by the S corporation, partnership, or limited liability company. The entity earning the credit may not carry over credit that passes through to its shareholders, partners, or members.

(L) Notwithstanding any other provision of this section, a county with a population under twenty-five thousand as determined by the most recent United States Census shall receive the next increased credit designation for purposes of the credit allowed by this section.

(M) As used in this section:

(1) "Taxpayer" means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes as contained in Section 12-6-510, Section 12-6-530, Chapter 11 of Title 12, or Chapter 7 of Title 38.

(2) “Appropriate agency” means the Department of Revenue, except that for taxpayers subject to the premium tax imposed by Chapter 7 of Title 38, it means the Department of Insurance.

(3) “New job” means a job created in this State at the time a new facility or an expansion is initially staffed. Except as otherwise provided in this item, the term does not include a job created when an employee is shifted from an existing location in this State to a new or expanded facility whether the transferred job is from, or to, a facility of the taxpayer or a related person. A related person includes any entity or person that bears a relationship to the taxpayer as described in Section 267 of the Internal Revenue Code. However, this exclusion of a new job created by employee shifting does not extend to a job created at a new or expanded facility located in a county in which is located an “applicable federal facility” as defined in Section 12-6-3450(A)(1)(b). The term “new job” also includes an existing job at a facility of an employer which is reinstated after the employer has rebuilt the facility due to:

(a) its destruction by accidental fire, natural disaster, or act of God;

(b) involuntary conversion as a result of condemnation or exercise of eminent domain by the State or any of its political subdivisions or by the federal government.

Destruction for purposes of this provision means that more than fifty percent of the facility was destroyed. For purposes of this section, involuntary conversion as a result of condemnation or exercise of eminent domain includes a legally binding agreement for the purchase of a facility of an employer entered into between an employer and the State of South Carolina or a political subdivision of the State under threat of exercise of eminent domain by the State or its political subdivision.

The year of reinstatement is the year of creation of the job. All reinstated jobs qualify for the credit pursuant to this section, and a comparison is not required to be made between the number of full-time jobs of the employer in the taxable year and the number of full-time jobs of the employer with the corresponding period of the prior taxable year.

Notwithstanding another provision of law, “new job” includes jobs created by a taxpayer when the taxpayer hires more than five hundred full-time individuals:

(a) at a manufacturing facility located in a county classified as distressed;

(b) immediately before their employment by the taxpayer, the individuals were employed by a company operating, as of the effective date of this paragraph, under Chapter 11 of the United States Bankruptcy Code; and

(c) the taxpayer, as an unrelated entity, acquires as of March 12, 2004, substantially all of the assets of the company operating under Chapter 11 of the United States Bankruptcy Code.

(4) “Full-time” means a job requiring a minimum of thirty-five hours of an employee’s time a week for the entire normal year of company operations or a job requiring a minimum of thirty-five hours of an employee’s time for a week for a year in which the employee was hired initially for or transferred to the South Carolina facility. For the purposes of this section, two half-time jobs are considered one full-time job. A “half-time job” is a job requiring a minimum of twenty hours of an employee’s time a week for the entire normal year of the company’s operations or a job requiring a minimum of twenty hours of an employee’s time a week for a year in which the employee was hired initially for or transferred to the South Carolina facility.

(5) “Manufacturing facility” means an establishment where tangible personal property is produced or assembled.

(6) “Processing facility” means an establishment that prepares, treats, or converts tangible personal property into finished goods or another form of tangible personal property. The term includes a business engaged in processing agricultural, aquacultural, or maricultural products. It does not include an establishment in which retail sales of tangible personal property are made to retail customers.

(7) “Warehousing facility” means an establishment where tangible personal property is stored but does not include any establishment where retail sales of tangible personal property are made to retail customers.

(8) “Distribution facility” means an establishment where shipments of tangible personal property are processed for delivery to customers. The term does not include an establishment where retail sales of tangible personal property are made to retail customers on more than twelve days a year except for a facility which processes customer sales orders by mail, telephone, or electronic means, if the facility also processes shipments of tangible personal property to customers and if at least seventy-five percent of the dollar amount of goods sold through the facility are sold to customers outside of South Carolina. Retail sales made inside the facility to employees working at the facility are not considered for purposes of the twelve-day and seventy-five percent limitation. For purposes of this definition, “retail sale” and “tangible personal property” have the meaning provided in Chapter 36 of this title.

(9) “Research and development facility” means an establishment engaged in laboratory, scientific, or experimental testing and development related to new products, new uses for existing products, or improving existing products. The term does not include an establishment engaged in efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, banking, or research in connection with literary, historical, or similar projects.

(10) “Corporate office facility” means a corporate headquarters that meets the definition of a “corporate headquarters” contained in Section 12-6-3410(J)(1). The corporate headquarters of a general contractor licensed by the South Carolina Department of Labor, Licensing and Regulation qualifies even if it is not a regional or national headquarters as those terms are defined in Section 12-6-3410(J)(1).

(11) The terms “retail sales” and “tangible personal property” for purposes of this section are defined in Chapter 36 of this title.

(12) “Tourism facility” means an establishment used for a theme park; amusement park; historical, educational, or trade museum; botanical garden; cultural center; theater; motion picture production studio; convention center; arena; auditorium; or a spectator or participatory sports facility; and similar establishments where entertainment, education, or recreation is provided to the general public. Tourism facility also includes new hotel and motel construction, except that to qualify for the credits allowed by this section and regardless of the county in which the facility is located, the number of new jobs that must be created by the new hotel or motel is twenty or more. It does not include that portion of an establishment where retail merchandise or retail services are sold directly to retail customers.

(13) “Qualifying service-related facility” means:

(a) an establishment engaged in an activity or activities listed under the North American Industry Classification System Manual (NAICS) Section 62, subsectors 621, 622, and 623; or

(b) a business, other than a business engaged in legal, accounting, banking, or investment services or retail sales, which has a net increase of at least:

(i) two hundred fifty jobs at a single location;

(ii) one hundred twenty-five jobs at a single location and the jobs have an average cash compensation level of more than one and one-half times the lower of state per capita income or per capita income in the county where the jobs are located;

(iii) seventy-five jobs at a single location and the jobs have an average cash compensation level of more than twice the lower of state per capita income or per capita income in the county where the jobs are located; or

(iv) thirty jobs at a single location and the jobs have an average cash compensation level of more than two and one-half times the lower of state per capita income or per capita income in the county where the jobs are located.

A taxpayer shall use the most recent per capita income data available as of the end of the taxable year in which the jobs are filled. Determination of the required number of jobs is in accordance with the monthly average described in subsection (F).

(14) “Technology intensive facility” means:

(a) a facility at which a firm engages in the design, development, and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge. Included in this definition are the following North American Industrial Classification Systems, NAICS, codes published by the Office of the Management and Budget of the federal government:

(i) 5114 database and directory publishers;

(ii) 5112 software publishers;

(iii) 54151 computer systems design and related services;

(iv) 541511 custom computer programming services;

(v) 541512 computer systems design services;

(vi) 541710 scientific research and development services;

(vii) 9271 space research and technology; or

(b) a facility primarily used for one or more activities listed under the 2002 version of the NAICS Codes 51811 (Internet Service Providers and Web Search Portals).

(15) “Extraordinary retail establishment” as defined in Sections 12-21-6520 and 12-21-6590.

(N) Except for employees employed in distressed counties, the maximum aggregate credit that may be claimed in any tax year for a single employee pursuant to this section and Section 12-6-3470(A) is five thousand five hundred dollars.

**Job Tax Credit (Against Insurance Premium Taxes)  
Year Enacted – 1992**

**Explanation** – A qualifying insurance company is permitted a tax credit against insurance premium taxes for creating new, full-time jobs in the state. A business must be engaged in manufacturing, processing, tourism, warehousing, banking, distribution, or research and development, or must be a qualifying service-related facility, a corporate office facility, extraordinary retail establishment, or a technology intensive facility. Businesses engaged in construction, public utilities and state and local government are not eligible for a job tax credit. A retail facility or service related industry that is located in a distressed county or a least developed county is eligible for a job tax credit. Also, for tax years beginning after 2007, an industry located in an underdeveloped county not traversed by an interstate highway may also qualify for the credit. Generally, a business may hire at least ten (10) employees at a single location to qualify for the credit. Tax credits range from \$1,500 to \$8,000 per year for each job created depending on the county designation. The county designations are determined by the average ranking of the county’s unemployment rate and per capita income for the latest thirty-six (36) month period as of November 1<sup>st</sup> of each year. Tax credits may be claimed beginning in tax Years 2 through 6 after job creation in Year 1 for a total of five (5) years. Tax credits may be carried forward for fifteen (15) years and are limited to fifty (50) percent of tax liability of the company.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>11</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,267,242</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>11</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,267,242</b>
<b>N/R: Not Reported</b>	

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>86</b>
<b>Amount of Credits Claimed –</b>	<b>\$44,455,104</b>

**Primary Code Section**

**SECTION 12-6-3360.** Job tax credit.

- (A) Taxpayers that operate manufacturing, tourism, processing, warehousing, distribution, research and development, corporate office, qualifying service-related facilities, extraordinary retail establishment, qualifying technology intensive facilities, and banks as defined pursuant to this title are allowed an annual jobs tax credit as provided in this section. In addition, taxpayers that operate retail facilities and service-related industries qualify for an annual jobs tax credit in counties designated as least developed or distressed, and in counties that are under developed and not traversed by an interstate highway. As used in this section, “corporate office” includes general contractors licensed by the South Carolina Department of Labor, Licensing and Regulation. Credits pursuant to this section may be claimed against income taxes imposed by Section 12-6-510 or 12-6-530, bank taxes imposed pursuant to Chapter 11 of this title, and insurance premium taxes imposed pursuant to Chapter 7 of Title 38, and are limited in use to fifty percent of the taxpayer’s South Carolina income tax, bank tax, or insurance premium tax liability. In computing a tax payable by a taxpayer pursuant to Section 38-7-90, the credit allowable pursuant to this section must be treated as a premium tax paid pursuant to Section 38-7-20.

Note: Refer to the remainder of the text to Section 12-6-3360 above.

**Small Business Job Tax Credit**  
**Year Enacted – 2006**

**Explanation** – A qualifying business is permitted a tax credit against income (corporate and individual) tax, bank tax, or insurance premium tax for creating new, full-time jobs in the state. A business must be engaged in manufacturing, processing, tourism, warehousing, banking, distribution, or research and development, or must be a qualifying service-related facility, a corporate office facility, extraordinary retail establishment, or a technology intensive facility. Businesses engaged in construction, public utilities and state and local government are not eligible for a job tax credit. A retail facility or service related industry that is located in a distressed county or a least developed county is eligible for a job tax credit. Also, for tax years beginning after 2007, an industry located in an underdeveloped county not traversed by an interstate highway may also qualify for the credit. Generally, a business may hire at least two (2) employees to qualify for the credit. Tax credits range from \$1,500 to \$8,000 per year for each job created if the taxpayer qualifies for 100% of the credit amount depending on county designation and compensation amount of employees. Tax credits also range from \$750 to \$4,000 per year for each job created if the taxpayer qualifies for 50% of the credit amount depending on county designation and compensation amount of employees. The tax credit amounts are determined based upon whether gross wages are above or below 120% of the state or county per capita income, whichever is lower. The county designations are determined by the average ranking of the county’s unemployment rate and per capita income for the latest thirty-six (36) month period as of November 1<sup>st</sup> of each year. Tax credits may be claimed beginning in tax Years 2 through 6 after job creation in Year 1 for a total of five (5) years. Tax credits may be carried forward for fifteen (15) years and are limited to fifty (50) percent of tax liability of the company.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>75</b>
<b>Amount of Credits Claimed –</b>	<b>\$208,214</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>75</b>
<b>Amount of Credits Claimed –</b>	<b>\$208,214</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 114</b> <b>Amount of Credits Claimed – \$583,150</b></p>
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**Primary Code Section**

**SECTION 12-6-3362.** Small business jobs tax credit; alternate method.

(A) A taxpayer eligible, pursuant to Section 12-6-3360(C)(2), for the jobs tax credits allowed pursuant to Section 12-6-3360 may elect to claim the applicable credit in the manner provided pursuant to subsection (B) of this section rather than as provided in Section 12-6-3360(C)(2).

(B) Beginning with the year the new full-time jobs are created, the taxpayer is allowed a jobs tax credit in an amount equal to the credit amount calculated pursuant to Section 12-6-3360(C)(2) for not more than five consecutive years. A credit is not allowed for a year in which the new full-time job increase falls below the minimum level of two.

(C) Except where altered by subsection (B) of this section, the provisions of Section 12-6-3360 are incorporated into this section.

**Job Development Credits  
Year Enacted – 1995**

**Explanation** – The job development credit is available to approved new or expanding businesses making a qualifying investment and creating a minimum number of new jobs in South Carolina. A qualifying business must be primarily engaged in manufacturing, processing, tourism, warehousing, banking, distribution, or research and development, or must be a qualifying service-related facility, a corporate office facility, extraordinary retail establishment, or a technology intensive facility. Businesses engaged in construction, public utilities and state and local government are not eligible for a job tax credit. The business must also provide a benefits package that includes health care to all full-time employees, enter into a revitalization agreement with the Coordinating Council for Economic Development with the Department of Commerce, and the Council must determine that the total benefits of the proposed project exceed the total costs to the public. The company must agree to create at least ten (10) new, full time jobs at the project within five (5) years of the effective date of a revitalization agreement. The company remits qualified employee withholding taxes due to the State. Each quarter the company may claim a credit for the amount of allowable job development benefits based upon the hourly gross wage rate of the qualified employee. The withholding overpayment is refunded to the company.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>\$70,317,528</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>\$70,317,528</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>\$498,021,558</b>

## **Primary Code Section**

### **SECTION 12-10-80.** Job development credits.

(A) A business that qualifies pursuant to Section 12-10-50(A) and has certified to the council that the business has met the minimum job requirement and minimum capital investment provided for in the revitalization agreement may claim job development credits as determined by this section.

(1) A business may claim job development credits against its withholding on its quarterly state withholding tax return for the amount of job development credits allowable pursuant to this section.

(2) A business that is current with respect to its withholding tax and other tax due and owing the State and that has maintained its minimum employment and investment levels identified in the revitalization agreement may claim the credit on a quarterly basis beginning with the first quarter after the council's certification to the department that the minimum employment and capital investment levels were met for the entire quarter. If a qualifying business is not current as to all taxes due and owing to the State as of the date of the return on which the credit would be claimed, without regard to extensions, the business may claim the credit only in an amount reduced by the amount of taxes due and owing to the State as of the date of the return on which the credit is claimed.

(3) A qualifying business may claim its initial job development credit only after the council has certified to the department that the qualifying business has met the required minimum employment and capital investment levels.

(4) To be eligible to apply to the council to claim a job development credit, a qualifying business shall create at least ten new, full-time jobs, as defined in Section 12-6-3360(M), at the project described in the revitalization agreement within five years of the effective date of the agreement.

(5) A qualifying business is eligible to claim a job development credit pursuant to the revitalization agreement for not more than fifteen years.

(6) To the extent any return of an overpayment of withholding that results from claiming job development credits is not used as permitted by subsection (C) or by Section 12-10-95, it must be treated as misappropriated employee withholding.

(7) Job development credits may not be claimed for purposes of this section with regard to an employee whose job was created in this State before the taxable year of the qualifying business in which it enters into a preliminary revitalization agreement.

(8) If a qualifying business claims job development credits pursuant to this section, it shall make its payroll books and records available for inspection by the council and the department at the times the council and the department request. Each qualifying business claiming job development credits pursuant to this section shall file with the council and the department the information and documentation requested by the council or department respecting employee withholding, the job development credit, and the use of any overpayment of withholding resulting from the claiming of a job development credit according to the revitalization agreement.

(9) Each qualifying business claiming in excess of ten thousand dollars in a calendar year must furnish to the council and to the department a report that itemizes the sources and uses of the funds. The report must be filed with the council and the department no later

than June thirtieth following the calendar year in which the job development credits are claimed, except when a qualifying business obtains the written approval by the council for an extension of that date. Extensions may be granted only for good cause shown. The department shall impose a penalty pursuant to Section 12-54-210 for all reports filed after June thirtieth or the approved extension date, whichever is later. The department shall audit each qualifying business with claims in excess of ten thousand dollars in a calendar year at least once every three years to verify proper sources and uses of the funds.

(10) Each qualifying business claiming ten thousand dollars or less in any calendar year must furnish a report prepared by the company that itemizes the sources and uses of the funds. This report must be filed with the council and the department no later than June thirtieth following the calendar year in which the job development credits are claimed, except when a qualifying business obtains the written approval by the council for an extension of that date. Extensions may be granted only for good cause shown. The department shall impose a penalty pursuant to Section 12-54-210 for all reports filed after June thirtieth or the approved extension date, whichever is later.

(11) An employer may not claim an amount that results in an employee's receiving a smaller amount of wages on either a weekly or on an annual basis than the employee would receive otherwise in the absence of this chapter.

(B)(1) The maximum job development credit a qualifying business may claim for new employees is limited to the lesser of withholding tax paid to the State on a quarterly basis or the sum of the following amounts:

(a) two percent of the gross wages of each new employee who earns \$6.95 or more an hour but less than \$9.27 an hour;

(b) three percent of the gross wages of each new employee who earns \$9.27 or more an hour but less than \$11.58 an hour;

(c) four percent of the gross wages of each new employee who earns \$11.58 or more an hour but less than \$17.38 an hour; and

(d) five percent of the gross wages of each new employee who earns \$17.38 or more an hour.

(2) The hourly gross wage figures in item (1) must be adjusted annually by an inflation factor determined by the State Budget and Control Board.

(C) To claim a job development credit, the qualifying business must incur qualified expenditures at the project or for utility or transportation improvements that serve the project. To be qualified, the expenditures must be:

(1) incurred during the term of the revitalization agreement, including a preliminary revitalization agreement, or within sixty days before council's receipt of an application for benefits pursuant to this section;

(2) authorized by the revitalization agreement; and

(3) used for any of the following purposes:

(a) training costs and facilities;

(b) acquiring and improving real estate whether constructed or acquired by purchase, or in cases approved by the council, acquired by lease or otherwise;

(c) improvements to both public and private utility systems including water, sewer, electricity, natural gas, and telecommunications;

(d) fixed transportation facilities including highway, rail, water, and air;

(e) construction or improvements of real property and fixtures constructed or improved primarily for the purpose of complying with local, state, or federal environmental laws or regulations;

(f) employee relocation expenses associated with new or expanded technology intensive facilities as defined in Section 12-6-3360(M)(14) or relocation expenses associated with new national, regional, or global corporate headquarters as defined in Section 12-6-3410(J)(1)(a) that qualify for the enhanced corporate income tax credit pursuant to Section 12-6-3410(D) or relocation expenses associated with an expanded research and development facility to include personnel and laboratory research and development equipment;

(g) financing the costs of a purpose described in items (a) through (f).

(h) training for all relevant employees that enable a company to export or increase a company's ability to export its products, including training for logistics, regulatory, and administrative areas connected to the company's export process and other export process training that allows a qualified company to maintain or expand its business in this State;

(i) apprenticeship programs.

(j) quality improvement programs of the South Carolina Quality Forum.”

(D)(1) The amount of job development credits a qualifying business may claim for its use for qualifying expenditures is limited according to the designation of the county as defined in Section 12-6-3360(B) as follows:

(a) one hundred percent of the maximum job development credits may be claimed by businesses located in counties designated as distressed or least developed;

(b) eighty-five percent of the maximum job development credits may be claimed by businesses located in counties designated as “underdeveloped”;

(c) seventy percent of the maximum job development credits may be claimed by businesses located in counties designated as “moderately developed”; or

(d) fifty-five percent of the maximum job development credits may be claimed by businesses located in counties designated as “developed”.

(2) The amount that may be claimed as a job development credit by a qualifying business is limited by this subsection and by the revitalization agreement. The council may approve a waiver of ninety-five percent of the limits provided in item (1) for a qualifying business making a significant capital investment as defined in Section 12-44-30(7).

(3) The county designation of the county in which the project is located on the date the application for job development credit incentives is received in the Office of the Coordinating Council remains in effect for the entire period of the revitalization agreement, except as to additional jobs created pursuant to an amendment to a revitalization agreement entered into before June 1, 1997, as provided in Section 12-10-60. In that case the county designation on the date of the amendment remains in effect for the remaining period of the revitalization agreement as to any additional jobs created after the effective date of the amendment. This item does not apply to a business whose application for job development fees or credits pursuant to Section 12-10-81 has been approved by council before the effective date of this act.

(E) The council shall certify to the department the maximum job development credit for each qualifying business. After receiving certification, the department shall remit an amount equal to the difference between the maximum job development credit and the job

development credit actually claimed to the State Rural Infrastructure Fund as defined and provided in Section 12-10-85.

(F) Any job development credit of a qualifying business permanently lapses upon expiration or termination of the revitalization agreement. If an employee is terminated, the qualifying business immediately must cease to claim job development credits as to that employee.

(G) For purposes of the job development credit allowed by this section, an employee is a person whose job was created in this State.

(H) Job development credits may not be claimed by a governmental employer who employs persons at a closed or realigned military installation as defined in Section 12-10-88(E).

(I) A taxpayer who qualifies for the job development credit pursuant to the provisions of this section and who is located in a multicounty business or industrial park jointly established pursuant to Section 13 of Article VIII of the Constitution of this State is allowed a job development credit equal to the amount allowed pursuant to subsection (D) for the designation of the county which has the lowest development status of the counties containing the park if:

(1) the park is developed and established on the geographical boundary of adjacent counties; and

(2) the written agreement, pursuant to Section 4-1-170, requires revenue from the park to be allocated to each county on an equal basis.

#### **SECTION 12-10-81.** Job development tax credits.

(A) A business may claim a job development credit as determined by this section if the:

(1) council approves the use of this section for the business;

(2) business qualifies pursuant to Section 12-10-50; and

(3) business is a tire manufacturer that has more than four hundred twenty-five million dollars in capital invested in this State and employs more than one thousand employees in this State and that commits within a period of five years from the date of a revitalization agreement, to invest an additional three hundred fifty million dollars and create an additional three hundred fifty jobs in this State qualifying for job development fees or credits pursuant to current or future revitalization agreements; except that the business must certify to the council that the business has satisfied all minimum capital investment and job requirements identified in the revitalization agreements but not certified by the council to the department before July 1, 2001. The council, in its discretion, may extend the five-year period for two additional years if the business has made a commitment to the additional three hundred fifty million dollars and makes substantial progress toward satisfying the goal before the end of the initial five-year period. A business that represents to the council its intent to qualify pursuant to this section and is approved by the council may put job development fees computed pursuant to this section into an escrow account until the date the business certifies to the council that the business has satisfied the capital and job requirements of this section.

(B)(1) A business qualifying pursuant to this section may claim its job development credit against its withholding on its quarterly state withholding tax return for the amount of job development credit allowable pursuant to this section for not more than fifteen

years. Job development credits allowed pursuant to subsection (C)(1)(a) through (d) of this section apply only to withholding on jobs created pursuant to a revitalization agreement adopted pursuant to this section and to the amounts withheld on wages and salaries on those jobs.

(2) A business that is current with respect to its withholding tax as well as any other tax due and owing the State and that has maintained its minimum employment and investment levels identified in the revitalization agreement may claim the credit on a quarterly basis beginning with the quarter subsequent to the council's certification to the department that the minimum employment and capital investment levels have been met for the entire quarter. If a qualifying business is not current as to all taxes due and owing to the State as of the date of the return on which the credit would be claimed, without regard to extensions, the business is barred from claiming the credit that would otherwise be allowed for that quarter.

(3) To be eligible to apply to the council to claim a job development credit pursuant to this section, a qualifying business must create at least ten new, full-time jobs as defined in Section 12-6-3360(M) at the project or projects described in the revitalization agreement.

(4) To the extent a return of an overpayment of withholding that results from claiming job development credits is not used as permitted by subsection (D), it must be treated as misappropriated employee withholding.

(5) Job development credits may not be claimed for purposes of this section with regard to an employee whose job was created in this State before the taxable year the qualifying business enters into a preliminary revitalization agreement.

(6) If a qualifying business claims job development credits pursuant to this section, it must make its payroll books and records available for inspection by the council and the department at the times the council and the department request. Each qualifying business claiming job development credits pursuant to this section must file with the council and the department the information and documentation they request respecting employee withholding, the job development credit, and the use of overpayment of withholding resulting from the claiming of a job development credit according to the revitalization agreement.

(7) Each qualifying business must furnish an audited report prepared by an independent certified public accountant that itemizes the sources and uses of the funds. The audited report must be filed with the council and the department no later than June thirtieth following the calendar year in which the job development credits are claimed, except when a qualifying business obtains written approval of council for an extension of that date. Extensions may be granted for good cause shown. The department shall impose a penalty pursuant to Section 12-54-210 for all reports filed after June thirtieth or the approved extension date, whichever is later.

(8) An employer may not claim an amount that results in an employee's receiving a smaller amount of wages on either a weekly or on an annual basis than the employee would otherwise receive in the absence of this chapter.

(C)(1) The maximum job development credit a qualifying business may claim for new employees is determined by the sum of the following amounts:

(a) two percent of the gross wages of each new employee who earns \$6.95 or more an hour but less than \$9.27 an hour;

(b) three percent of the gross wages of each new employee who earns \$9.27 or more an hour but less than \$11.58 an hour;

(c) four percent of the gross wages of each new employee who earns \$11.58 or more an hour but less than \$17.38 an hour;

(d) five percent of the gross wages of each new employee who earns \$17.38 or more an hour; and

(e) the increase in the state sales and use tax of the business from the year of the effective date of its revitalization agreement pursuant to this section and subsequent years, over its state sales and use tax for the first of the three years preceding the effective date of this revitalization agreement.

(2) The hourly base wages in item (1) must be adjusted annually by the inflation factor determined by the State Budget and Control Board.

(D) To claim a job development credit, the qualifying business must incur expenditures at the project or for utility or transportation improvements that serve the project. To be qualified, the expenditures must be:

(1) incurred during the term of the revitalization agreement, including a preliminary revitalization agreement, or within sixty days before council's receipt of an application for benefits pursuant to this section;

(2) authorized by the revitalization agreement; and

(3) used to reimburse the business for:

(a) training costs and facilities;

(b) acquiring and improving real estate whether constructed or acquired by purchase, or in cases approved by the council, acquired by lease or otherwise;

(c) improvements to both public and private utility systems including water, sewer, electricity, natural gas, and telecommunication;

(d) fixed transportation facilities including highway, rail, water, and air; or

(e) construction or improvements of real property and fixtures constructed or improved primarily for the purpose of complying with local, state, or federal environmental laws or regulations.

(E)(1) For purposes of subsection (C)(1)(a) through (d), the amount of job development credits a qualifying business may claim for its use for qualifying expenditures is limited according to the designation of the county as defined in Section 12-6-3360(B) as follows:

(a) one hundred percent of the maximum job development credits may be claimed by businesses located in counties designated as distressed or least developed;

(b) eighty-five percent of the maximum job development credits may be claimed by businesses located in counties designated as "underdeveloped";

(c) seventy percent of the maximum job development credits may be claimed by businesses located in counties designated as "moderately developed"; or

(d) fifty-five percent of the maximum job development credits may be claimed by businesses located in counties designated as "developed".

(2) For purposes of this subsection, the county designation of the county in which the project is located at the time the qualifying business enters into a preliminary revitalization agreement with the council remains in effect for the entire period of the revitalization agreement.

(3) The amount claimed by a qualifying business is limited by this subsection and the terms of the revitalization agreements. The business may use either the job development

escrow procedure pursuant to revitalization agreements with effective dates before 1997 or the job development credit, or a combination of the two. For a business qualifying pursuant to this section, the council also may approve or waive sections of a revitalization agreement and rules of the council, in the council's discretion, to assist the business.

(4) The council shall certify to the department the maximum job development credit for each qualifying business. After receiving certification, the department shall remit an amount equal to the difference between the maximum job development credit and the job development credit actually claimed to the State Rural Infrastructure Fund as defined and provided in Section 12-10-85.

(F) A job development credit of a qualifying business permanently lapses upon expiration or termination of the revitalization agreement. If an employee is terminated, the qualifying business immediately must cease to claim job development credits as to that employee.

(G) For purposes of the job development credit allowed by this section, an employee is a person whose job was created in this State.

**Job Retraining Credits**  
**Year Enacted – 2001**

**Explanation** – The job retraining credit is available to approved existing businesses retraining qualifying employees in order for the business to remain competitive, introduce new technologies, export products, or provide apprenticeship programs. A qualifying business must be primarily engaged in manufacturing, processing, tourism, warehousing, banking, distribution, or research and development, or must be a qualifying service-related facility, a corporate office facility, extraordinary retail establishment, or a technology intensive facility. Businesses engaged in construction, public utilities and state and local government are not eligible for a job tax credit. The company must provide a benefits package that includes health care to employees being retrained, must match on a dollar-for-dollar basis the amount claimed as a job retraining credit, enter into a revitalization agreement with the Coordinating Council for Economic Development with the Department of Commerce, and the retraining must be approved by and/or performed by a technical college in the state. The company remits qualified employee withholding taxes due the State. Each quarter the company may claim a credit for the amount of qualifying job retraining or apprenticeship programs. A qualifying business may claim a job retraining credit equal to \$500 a year for each qualifying employee for a five (5) year period, but not exceed \$2,000 over a five (5) year period for any single employee retrained. The withholding overpayment is refunded to the company. The company may not claim the job retraining credit and job development credit on the same employee.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>\$2,059,613</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>\$2,059,613</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – N/R</b> <b>Amount of Credits Claimed – \$35,169,660</b></p>
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**Primary Code Section**

**SECTION 12-10-95.** Credit against withholding for retraining.

(A) Subject to the conditions in this section, a business engaged in manufacturing or processing operations or technology intensive activities at a manufacturing, processing, or technology intensive facility as defined in Section 12-6-3360(M) and that meets the requirements of Section 12-10-50(B) may negotiate with the council to claim as a credit against withholding five hundred dollars a year for the retraining of a production or technology employee if retraining is necessary for the qualifying business to remain competitive or to introduce new technologies. In addition to the yearly limits, the retraining credit claimed against withholding may not exceed two thousand dollars over five consecutive years for each retrained production or technology employee.

(B) A qualifying business is eligible to claim as a retraining credit against withholding the lower amount of the following:

(1) the retraining credit for the applicable withholding period as determined by subsection (A); or

(2) withholding paid to the State for the applicable withholding period.

(C) All retraining must be approved by a technical college under the jurisdiction of the State Board for Technical and Comprehensive Education. A qualifying business must submit a retraining program for approval by the appropriate technical college. The approving technical college may provide the retraining itself, subject to the retraining program, or contract with other training entities to provide the required retraining.

(D) Travel and lodging expenses and wages for retraining participants are not reimbursable.

(E) The qualifying business must match on a dollar-for-dollar basis the amount claimed as a credit against withholding for retraining. When applicable, the total amount of retraining credits and matching funds must be paid to the technical college that provides the training. All training costs, including costs in excess of the retraining credits and matching funds, are the responsibility of the business.

(F) A qualifying business claiming retraining credits pursuant to this section is subject to the reporting and audit requirements in Section 12-10-80(A).

(G) A qualifying business may not claim retraining credit for training provided to the following production or technology employees:

(a) temporary or contract employees; and

(b) employees who are subject to a revitalization agreement, including a preliminary revitalization agreement.

(H) Notwithstanding another provision of this section, the retraining credit allowed by this section is for:

(1) apprenticeship programs; and

(2) retraining for all relevant employees that enable a company to export or increase its ability to export its products, including training for logistics, regulatory, and administrative areas connected to its export process and other export process training that allows a qualified company to maintain or expand its business in this State.

**Tax Moratorium**  
**Year Enacted – 2000**

**Explanation** – A qualifying business may be allowed a ten (10) year or fifteen (15) year moratorium on corporate income taxes or insurance premium taxes that makes a substantial investment and creates at least 100 new, full-time jobs, within five (5) years for the date it creates the first qualifying job in certain economically depressed counties in the state.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>0</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>0</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>8</b>
<b>Amount of Credits Claimed –</b>	<b>\$2,423,991</b>

**Primary Code Section**

**SECTION 12-6-3367.** Moratorium on corporate income and insurance premium taxes for certain companies investing and creating jobs in State.

(A) A taxpayer creating and maintaining at least one hundred full-time new jobs, as defined in Section 12-6-3360(M), at a facility of a type identified in Section 12-6-3360(M) may petition, utilizing the procedure in Section 12-6-2320(B), for a moratorium on state corporate income taxes imposed pursuant to Section 12-6-530 or insurance premium taxes imposed pursuant to Title 38 for the ten taxable years beginning the first full taxable year after the taxpayer qualifies and ending either ten years from that

year or the year when the taxpayer's number of full-time new jobs falls below one hundred, whichever is earlier. For purposes of insurance premium taxes, the petition pursuant to Section 12-6-2320(B) must be made to and approved by the Director of the Department of Insurance.

(B)(1) To qualify for the moratorium pursuant to subsection (A), a taxpayer shall:

(a)(i) create at least one hundred full-time new jobs at a facility in a county with an average annual unemployment rate of at least twice the state average during each of the last two completed calendar years, based on the most recent unemployment rates available, or that is one of the three lowest per capita income counties, based on the average of the three most recent years of available average per capita income data; and

(ii) invest at least ninety percent of its total investment in this State in the moratorium county; or

(b)(i) create at least one hundred full-time new jobs, and invest at least one hundred fifty million dollars, at a manufacturing facility in a county with an average annual unemployment rate of at least twice the state average during each of the last two completed calendar years, based on the most recent unemployment rates available, or that is one of the three lowest per capita income counties, based on the average of the three most recent years of available average per capita income data;

(ii) create at least one hundred full-time new jobs, and invest at least one hundred fifty million dollars, at a manufacturing facility in a second county which is designated as distressed, least developed, or underdeveloped pursuant to Section 12-6-3360; and

(iii) invest at least ninety percent of its total investment in this State in one or both of the counties specified in subsubitems (i) and (ii) of subsection (B)(1)(b).

(2) Taxpayers qualifying pursuant to subsection (B)(1)(b) are entitled to the moratorium for separate ten-year periods pursuant to subsection (A) for income attributable to facilities in each county, beginning with the first full taxable year after the taxpayer qualifies in the respective county and ending with respect to the income attributable to facilities in that county either ten years from that year or the year when the taxpayer's number of full-time new jobs in that county falls below one hundred, whichever is earlier. Loss of the moratorium in one county due to job reduction does not impact the moratorium for income attributable to facilities in the other county.

(C) During the applicable moratorium period, the moratorium applies to that portion of the taxpayer's corporate income or premium tax that represents the ratio of the taxpayer's new investment in the qualifying county or counties to its total investment in this State.

(D) The department shall prescribe certification procedures to ensure that the taxpayer may claim the moratorium in future years even if a particular county is removed from the list of qualifying counties.

(E)(1) If the taxpayer creates and maintains at least two hundred full-time new jobs at the facility specified in subsection (B)(1)(a) within five years from the date the taxpayer creates the first full-time new job at the facility, the moratorium period is fifteen taxable years, beginning the first full taxable year after the taxpayer qualifies and ending either fifteen years from that year or the year when the taxpayer's number of full-time new jobs falls below two hundred, whichever is earlier.

(2) If the taxpayer creates and maintains at least two hundred full-time new jobs at facilities in either or both of the counties specified in subsection (B)(1)(b) within five years from the date the taxpayer creates the first full-time new job in either of the

counties, the moratorium period is fifteen taxable years with respect to income attributable to facilities in the county or counties where the taxpayer qualifies, beginning the first full taxable year after the taxpayer qualifies in a respective county and ending either fifteen years from that year or the year when the taxpayer's number of full-time new jobs in the respective county fall below two hundred, whichever is earlier.

(3) Notwithstanding any other provision of this section, if the taxpayer qualifies in one or more counties for the fifteen-year period specified in this subsection and subsequently within the ten-year period specified in subsection (A) reduces the number of jobs at any such facility to fewer than two hundred but more than one hundred, the taxpayer is entitled to the moratorium with respect to such facility for the balance of the ten-year period. Loss of the fifteen-year period in one county described in subsection (B)(1)(b) due to job reduction does not impact the fifteen-year period for income attributable to facilities in the other county.

(F) The taxpayer must create the one hundred full-time new jobs within five years from the date it creates the first full-time new job in the county specified in subsections (B)(1)(a)(i).

(G) Any moratorium allowed under subsection (B)(1)(b) is not affected if the taxpayer changes its form of business organization within the ten- or fifteen-year moratorium period.

(H) For purposes of qualification under subsection (B)(1)(b) and all related provisions, the term "taxpayer" means a single taxpayer or, collectively, a group of one or more affiliated taxpayers.

**Credit for Hiring Family Independence Recipient  
Year Enacted – 1995**

**Explanation** – An employer who employs persons who received family independence payments (formerly TANF and AFDC) within South Carolina for three (3) months immediately before becoming employed are allowed a tax credit. To qualify for the tax credit, the employer must make health insurance available to the family independence recipient. The employer credit amounts is equal to 20% of wages paid to a qualified employee for each full month of employment during the first twelve (12) months of employment; 15% of wages paid to a qualified employee for each full month of employment during the second twelve (12) months of employment, and 10% of wages paid to a qualified employee for each full month of employment during the third twelve (12) months of employment. The total amount claimed per employee is limited to \$5,500 for all taxpayers not located in a “distressed” county. Employers located in a “distressed” county or a “least-developed” county are allowed an “additional” \$175 credit per qualifying employee for each full month during the first 36 months of employment, up to an additional \$2,100 for each qualifying year. Any unused credits may be carried forward for fifteen (15) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>23</b>
<b>Amount of Credits Claimed –</b>	<b>\$162,258</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>52</b>
<b>Amount of Credits Claimed –</b>	<b>\$86,513</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>75</b>
<b>Amount of Credits Claimed –</b>	<b>\$248,771</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>710</b>
<b>Amount of Credits Claimed –</b>	<b>\$5,498,621</b>

## **Primary Code Section**

### **SECTION 12-6-3470.** Employer tax credit.

(A)(1) An employer who employs a person who received Family Independence payments within this State for three months immediately preceding the month the person becomes employed is eligible for an income tax credit of:

(a) twenty percent of the wages paid to the employee for each full month of employment for the first twelve months of employment;

(b) fifteen percent of the wages paid to the employee for each full month of employment during the second twelve months of employment;

(c) ten percent of the wages paid to the employee for each full month during the third twelve months of employment.

(2) Except for employees employed in distressed counties, the maximum aggregate credit that may be claimed in a tax year for a single employee pursuant to this subsection and Section 12-6-3360 is five thousand five hundred dollars.

(B) In addition to the credits provided for in subsection (A) and Section 12-6-3360, an employer who employs a person who received Family Independence payments within this State for three months immediately preceding the month the person becomes employed and employs that person to work full time in a distressed county or a least developed county, as defined in Section 12-6-3360, is allowed a credit in an amount equal to one hundred seventy-five dollars for each full month during the first thirty-six months of employment.

(C) In order to claim the credit provided in subsection (A) an employer must make health insurance available to the qualified employee. All conditions including employer contributions and employer imposed waiting periods for the qualified employee must be on the same basis and under the same conditions as that of any other employee employed by the employer claiming the credit. The credit is allowed from the date of hire for each full month of employment notwithstanding an employer imposed waiting period which must not exceed twelve months.

Nothing in this section may be construed to require employers to pay for all or part of any health insurance coverage for a qualified employee in order to claim the credit if an employer does not pay for all or part of health insurance coverage for his other employees.

(D) The Department of Social Services and the South Carolina Employment Security Commission must make information available to employers interested in hiring Family Independence recipients. An employer shall submit an employee release and shall request in writing certification of Family Independence eligibility from the Department of Social Services by the fifteenth day of the first month after the end of the taxable year in which the employer hires the Family Independence recipient. The department has thirty days from the date the employer submits the employee release and request in which to approve or deny in writing certification of Family Independence eligibility.

(E) No income tax credit provided for in subsection (A) may be taken under this section if the position filled by the former AFDC recipient was made available due to the termination or forced resignation of an employee for the purpose of obtaining the tax credit. Nothing in this section creates a private cause of action which does not otherwise exist at law.

(F) A credit claimed under this section but not used in a taxable year may be carried forward fifteen years from the taxable year in which the credit is earned.

(G) For purposes of this section, “Family Independence payments” means financial assistance provided under Title IV, Part A of the Social Security Act.

**Apprenticeship Credit**  
**Year Enacted – 2007**

**Explanation** – An employer is allowed a tax credit of \$1,000 for each apprentice employed pursuant to an apprentice agreement registered with the Office of Apprenticeship of the Employment and Training Administration of the U.S. Department of Labor. The apprentice must be employed by the taxpayer for at least seven (7) full months of the tax year to qualify. The tax credit for an individual is limited to four (4) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>12</b>
<b>Amount of Credits Claimed –</b>	<b>\$27,345</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>12</b>
<b>Amount of Credits Claimed –</b>	<b>\$27,345</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>12</b>
<b>Amount of Credits Claimed –</b>	<b>\$27,345</b>

**Primary Code Section**

**SECTION 12-6-3477.** Apprentice income tax credit.

A taxpayer who employs an apprentice pursuant to an apprentice agreement registered with the Office of Apprenticeship of the Employment and Training Administration of the United States Department of Labor is allowed a credit against an income tax imposed pursuant to this chapter equal to one thousand dollars for each apprentice employed. A credit is not allowed unless the apprentice was in the employ of the taxpayer for at least seven full months of the taxable year and a credit is not allowed for an individual

apprentice for more than four taxable years. The department shall prescribe a form to claim this credit that provides information to the department sufficient for the proper administration of this credit.

**Credit for Hiring Displaced Workers**  
**Year Enacted – 1995**

**Explanation** – An employer who hires employees who were employed in an economic impact region and whose job was terminated as a result of the closing or realignment of an “applicable federal military installation” or an “applicable federal facility” may receive a tax credit of 10% of up to \$10,000 of qualified wages for services rendered for one year after the employee becomes a “terminated employee”. Any unused credits may be carried forward for ten (10) years.

The following counties have been designated economic impact regions – Aiken, Allendale, Bamberg, Barnwell, Berkeley, Charleston, Colleton, Dorchester, Edgefield, Florence, Georgetown, Hampton, Horry, Lexington, Marion, Orangeburg, and Williamsburg.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	15
Amount of Credits Claimed –	\$58,612

**Primary Code Section**

**SECTION 12-6-3450.** Income tax credit for persons terminated from employment as result of closing or realignment of federal military installation; definitions.

(A) As used in this section:

(1)(a) “Applicable federal military installation” means a federal military installation or other facility which is closed or realigned under:

- (i) The Defense Base Closure and Realignment Act of 1990;
- (ii) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act; or
- (iii) Section 2687 of Title 10, United States Code.

(b) “Applicable federal facility” means a federal facility that has reduced its permanent employment by three thousand or more jobs after December 31, 1990.

(2) “Economic impact region” means a county or municipality, any portion of which is located within twenty-five miles of the boundaries of an applicable federal military installation or applicable federal facility, and any area not otherwise included as part of the economic impact region if the Department of Commerce determines the area to be adversely impacted by the closing or realignment of an applicable federal military installation or applicable federal facility;

(3) “Qualified wages” means wages paid by an employer to an employee if:

- (a) at least ninety percent of the employee’s services for the employer during the taxable year are directly related to the conduct of the employer’s trade or business within an applicable federal military installation or economic impact region; or
- (b) at least fifty percent of the services of the employee for the employer during the taxable year are performed within the installation or region;

(4)(a) “Qualified wages” include, with respect to an individual, only wages attributable to services rendered during the one year beginning with the day the individual first works for an employer after becoming a terminated employee.

(b) Qualified wages for a taxable year may not exceed ten thousand dollars.

(c) Qualified wages do not include wages paid for services performed as an employee of the federal government or an agency or instrumentality of the federal government.

(5)(a) “Terminated employee” means an individual who is certified by the South Carolina Employment Security Commission, under procedures similar to the procedures described in Internal Revenue Code Section 51(d)(16), as being an individual, whether or not a federal employee:

- (i) who was employed in an economic impact region, and
- (ii) whose job was terminated by reason of the closing or realignment of the installation.

(b) An individual may not be treated as a terminated employee with respect to a job termination after the later of:

- (i) the close of the second calendar year following the calendar year in which the commencement of the job termination occurs; or
- (ii) the close of the first year period beginning with the date on which the employee first begins work for an employer after the job termination.

(B) In the case of a terminated employee, there is allowed as a credit against the tax imposed by this chapter for a taxable year an amount equal to ten percent of the qualified wages of the employee for the taxable year.

(C) For purposes of this section, the term “employee” includes an employee described in Internal Revenue Code Section 401(c)(1), relating to self-employed individual.

(D) Any deduction for wages of an employer claiming the credit allowed by this section must be reduced by the amount of the credit for purposes of calculating the South Carolina income tax liability.

(E) The credit allowed by this section may not reduce the tax liability below zero. If the applicable credit exceeds the liability, the credit may be carried forward to the ten succeeding taxable years.

**Section B. General Business Credits**

**Credit for Investing in an Economic Impact Zone**

**Year Enacted – 1995**

**Explanation** – A taxpayer is allowed an “economic impact zone investment tax credit” for qualified manufacturing and productive equipment properties placed in service during the taxable year in the economic impact zone. The amount of the credit for qualifying investments is:

- 1% of the total aggregate bases of 3 year property,
- 2% of the total aggregate bases of 5 year property,
- 3% of the total aggregate bases of 7 year property,
- 4% of the total aggregate bases of 10 year property, and
- 5% of the total aggregate bases of 15 year or greater property.

The credit claimed is limited to \$5,000,000 for a taxpayer subject to the corporate license tax, including utilities and electric power cooperatives. This credit does not apply to any property to which other tax credits apply and may be carried forward for ten (10) years.

The following counties are designated as “economic impact zone” counties – Aiken, Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Calhoun, Charleston, Clarendon, Colleton, Dillon, Dorchester, Edgefield, Florence, Georgetown, Greenwood, Hampton, Horry, Jasper, Lexington, Marion, McCormick, Newberry, Orangeburg, Richland, Saluda, and Williamsburg.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>69</b>
<b>Amount of Credits Claimed –</b>	<b>\$23,190,705</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>123</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,166,965</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>192</b>
<b>Amount of Credits Claimed –</b>	<b>\$24,357,670</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 2,060</b> <b>Amount of Credits Claimed – \$217,124,845</b></p>
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**Primary Code Section**

**SECTION 12-14-60.** Investment tax credit.

(A)(1) There is allowed an economic impact zone investment tax credit against the tax imposed pursuant to Chapter 6 of this title for any taxable year in which the taxpayer places in service economic impact zone qualified manufacturing and productive equipment property.

(2) The amount of the credit allowed by this section is equal to the aggregate of:

- three-year property - one percent of total aggregate bases for all three-year property that qualifies;
- five-year property - two percent of total aggregate bases for all five-year property that qualifies;
- seven-year property - three percent of total aggregate bases for all seven-year property that qualifies;
- ten-year property - four percent of total aggregate bases for all ten-year property that qualifies;
- fifteen-year property - five percent of total aggregate bases for all fifteen-year or greater property that qualifies.

For purposes of this section, whether property is three-year property, five-year property, seven-year property, ten-year property, or fifteen-year property is determined based on the applicable recovery period for such property under Section 168(e) of the Internal Revenue Code.

(B) For purposes of this section:

(1) “economic impact zone qualified manufacturing and productive equipment property” means any property:

- (a) which is used as an integral part of manufacturing or production, or used as an integral part of extraction of or furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services in the economic impact zone;
- (b) which is tangible property to which Section 168 of the Internal Revenue Code applies;
- (c) which is Section 1245 property (as defined in Section 1245(a)(3) of the Internal Revenue Code); and
- (d)(i) the construction, reconstruction, or erection of which is completed by the taxpayer in the economic impact zone; or
- (ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer inside the economic impact zone.

(2) In the case of any computer software which is used to control or monitor a manufacturing or production process inside the economic impact zone and with respect to

which depreciation (or amortization in lieu of depreciation) is allowable, the software must be treated as qualified manufacturing and productive equipment property.

(C) This section does not apply to any property to which the other tax credits would apply unless the taxpayer elects to waive the application of the other credits to the property.

(D)(1) Unused credit allowed pursuant to this section may be carried forward for ten years from the close of the tax year in which the credit was earned.

(2) In the case of credit unused within the initial ten-year period, a taxpayer may continue to carry forward unused credits for use in any subsequent tax years if the taxpayer:

(a) is engaged in this State in an activity or activities listed under the North American Industry Classification System Manual (NAICS) Section 31, 32, or 33;

(b)(i) is employing one thousand or more full-time workers in this State and having a total capital investment in this State of not less than five hundred million dollars; or

(ii) is employing eight hundred fifty or more full-time workers in this State and having a total capital investment in this State of not less than seven hundred fifty million dollars;

and

(c) made a total capital investment of not less than fifty million dollars in the previous five years.

Credits carried forward beyond the initial ten-year period may not reduce a taxpayer's state income tax liability in any subsequent tax year by more than twenty-five percent.

(E) If during any taxable year and before the end of applicable recovery period for such property as determined under Section 168(e) of the Internal Revenue Code, the taxpayer disposes of or removes from the economic impact zone, economic impact zone qualified manufacturing and productive equipment property, then the tax due under Chapter 6 by the taxpayer for the current taxable year must be increased by an amount of any credit claimed in prior years with respect to such property determined by assuming the credit is earned ratably over the useful life of the property and recapturing pro rata the unearned portion of the credit.

(F) For South Carolina income tax purposes, the basis of the economic impact zone qualified manufacturing and productive equipment property must be reduced by the amount of any credit claimed with respect to the property. If a taxpayer is required to recapture the economic impact zone investment tax credit in accordance with subsection (E), the taxpayer may increase the basis of the property by the amount of any basis reduction attributable with claiming the economic impact zone investment tax credit in prior years. The basis must be increased in the year in which the credit is recaptured.

(G) Credits claimed under this section for taxable years beginning after 1997 for investments made before July 1, 1998, may not reduce a taxpayer's state income tax liability by more than fifty percent.

(H) The credit allowed by this section for investments made after June 30, 1998, is limited to no more than five million dollars for an entity subject to the license tax as provided in Section 12-20-100.

(I) Notwithstanding any amendments to Section 12-14-60 of the 1976 Code enacted in the 1998 session of the General Assembly reducing the percentage amount of the economic impact zone investment tax credit or otherwise reducing the amount of the credit allowed, in the case of investments at a project operated by a company pursuant to a revitalization agreement entered into between the company and the South Carolina

Advisory Council for Economic Development effective on or before July 1, 1996, the provisions of Section 12-14-60 in existence prior to the 1998 amendment shall apply.

**Corporate Headquarters Credit  
Year Enacted – 1995**

**Explanation** – A corporation is allowed a credit against corporate income tax, corporate license fees, or bank taxes equal to twenty (20) percent of the qualifying costs of establishing a corporate headquarters in South Carolina. The credit also applies to corporations expanding or adding to an existing corporate headquarters. Any unused credit may be carried forward for ten (10) years, and may be carried forward for fifteen (15) years if the corporation meets specific job and per capita income requirements. Also, the taxpayer may assign its rights to the unused credit to a succeeding taxpayer if the taxpayer transfers all of the assets of the company to the succeeding taxpayer and if the company is maintained as a corporate headquarters.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>5</b>
<b>Amount of Credits Claimed –</b>	<b>\$9,287,269</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>5</b>
<b>Amount of Credits Claimed –</b>	<b>\$9,287,269</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>23</b>
<b>Amount of Credits Claimed –</b>	<b>\$6,746,959</b>

**Primary Code Section**

**SECTION 12-6-3410.** Corporate income tax credit for corporate headquarters.

(A) A corporation establishing a corporate headquarters in this State, or expanding or adding to an existing corporate headquarters, is allowed a credit against any tax due

pursuant to Section 12-6-530, Section 12-11-20, or Section 12-20-50 as set forth in this section.

(B) In order to qualify for this credit, each of the following criteria must be satisfied:

(1) The qualifying real property costs of the corporate headquarters establishment, expansion, or addition must be at least fifty thousand dollars. Qualifying real property costs are:

(a) costs incurred in the design, preparation, and development of establishing, expanding, or adding to a corporate headquarters, and

(b)(i) direct construction costs, or

(ii) with respect to leased facilities, direct lease costs during the first five years of operations for the corporate headquarters.

(2) The headquarters establishment, expansion, or addition must result in the creation of:

(a) at least forty new jobs performing headquarters related functions and services or research and development related functions and services. These jobs must be permanent, full-time positions located in this State, and

(b) at least twenty of the above-referenced new jobs must be classified as headquarters staff employees.

(C) The amount of the credit is equal to twenty percent of the qualifying real property costs listed in subsection (B)(1).

(D) A headquarters establishment, expansion, or addition which meets the criteria of subsection (B) of this section is entitled to an additional credit equal to twenty percent of cost for tangible personal property if the following conditions are met:

(1) the personal property is:

(a) capitalized as personal property for income tax purposes under the Internal Revenue Code; and

(b) purchased for the establishment, expansion, or addition of a corporate headquarters, or for the establishment, expansion, or addition of a research and development facility which is part of the same corporate project as the headquarters establishment, addition, or expansion; and

(c) used for corporate headquarters related functions and services or research and development related functions and services in South Carolina.

(2) The establishment, expansion, or addition of a corporate headquarters or research and development facility must result in:

(a) the creation of at least seventy-five new full-time jobs performing either:

(i) headquarters related functions and services; or

(ii) research and development related functions and services.

The jobs must have an average cash compensation level of more than one and one-half times the per capita income of this State based on the most recent per capita income data available as of the end of the taxpayer's taxable year in which the jobs are filled; and

(b) an average South Carolina employee cash compensation level for all employees in this State of more than twice the per capita income in the State based on the most recent per capita income data available as of the end of the taxpayer's taxable year in which the jobs are filled.

(E)(1)(a) For facilities which are constructed, the credit can only be claimed for the taxable year when the headquarters establishment, expansion, or addition, and the research and development facility establishment, expansion, or addition, in the case of

corporations qualifying under subsection (D), is placed in service for federal income tax purposes. For construction projects completed in phases and placed in service for federal income tax purposes in more than one taxable year, the corporation can claim the credit on the South Carolina income tax return for the taxable year in which property, which qualifies for the credit, is placed in service. Credits cannot be obtained for costs incurred more than three taxable years after the taxable year in which the first property for which the credit is claimed is placed in service. Notwithstanding any other provisions of this subsection, if the entire project is not completed by the end of the three taxable years, the corporation may claim the credit for all property placed in service within the time limitation set forth in the preceding sentence. The credit may not be claimed for personal property which is replacing personal property for which the credit can be claimed. The department may for good cause extend the time for incurring additional costs and for claiming the credit if the project is not completed within the time period allowed by this subsection. For purposes of this subsection the term "property" includes qualifying real property and, where the conditions of subsection (D) are met, personal property.

(b) for leased real property the credit must be claimed in the taxable year in which the first direct lease costs are incurred.

(2) The corporation must meet the staffing requirements of subsections (B)(2) and, if applicable, (D)(2), by the end of the second taxable year following the last taxable year for which the credit is claimed. The corporation must have documented plans to meet the initial staffing requirements at the time the credit is claimed. If the corporation fails to meet the staffing requirements within the time required by this subsection, the corporation must increase its tax liability for the current taxable year by an amount equal to the amount of credit, or any portion of the credit for which the corporation would not qualify, which was used to reduce tax in the earlier years.

(F) The credit provided in this section is nonrefundable, but an unused credit may be carried forward for ten years. An unused credit may be carried forward fifteen years if the criteria set forth in subsection (D)(2) are met. In addition, a taxpayer may assign its rights to the unused credit to a succeeding taxpayer if the taxpayer transfers all or substantially all of the assets of the taxpayer or all or substantially all of the assets of a trade, business, or operating division of a taxpayer to the succeeding taxpayer, and the succeeding taxpayer maintains the corporate headquarters of the taxpayer. No credit may be claimed for a taxable year during which the taxpayer or succeeding taxpayer fails to meet the qualifying employment requirements provided in this section and the carry forward period is not extended for any year in which the credit may not be claimed for failure to meet the employment requirements. The credit may be claimed for a taxable year in the unextended carry forward period if the taxpayer or succeeding taxpayer requalifies for the credit by meeting the employment requirements during that taxable year.

(G) If a fee-in-lieu arrangement under Section 4-29-67 is entered into with respect to all or part of property involving a corporate headquarters, and the corporation claiming the credit provided under this section is treated as the owner of the property for federal income tax purposes, then the corporation must be treated as the owner of the property for purposes of the credit provided by this section.

(H) To the extent that this credit applies to the cost of certain property, the basis of the property for South Carolina income tax purposes must be reduced by the amount of the

credit claimed with respect to the property. This basis reduction does not reduce the basis or limit or disallow any depreciation allowable under the law of this State for other than income tax purposes, even if the depreciation is based upon or otherwise relates to income tax depreciation including, without limitation, basis or depreciation which is allowable under this title for property tax purposes. If the corporation fails to meet the staffing requirements of subsection (E)(2), the corporation may increase the basis of the property by the amount of the original basis reduction with regard to that property in the year in which the credit is recaptured.

(I) The amount of a credit allowed under this section must be reduced by the amount of any past-due debt owed this State by the taxpayer.

(J) As used in this section:

(1) "Corporate headquarters" means the facility or portion of a facility where corporate staff employees are physically employed, and where the majority of the company's or company business unit's financial, personnel, legal, planning, information technology, or other headquarters-related functions are handled either on a regional, national, or global basis. A corporate headquarters must be a regional corporate headquarters, a national corporate headquarters, or global corporate headquarters as defined below; provided, however, for taxpayers which are subject to tax under Chapter 11 of Title 12, a corporate headquarters must be a regional corporate headquarters:

(a) National corporate headquarters must be the sole corporate headquarters in the nation and handle headquarters-related functions at least on a national basis. A national headquarters is considered to handle headquarters-related functions on a national basis from this State if the corporation has a facility in this State from which the corporation engages in interstate commerce by providing goods or services for customers outside of this State in return for compensation.

(b) Regional corporate headquarters must be the sole corporate headquarters within the region and must handle headquarters-related functions on a regional basis. For purposes of this section, "region" or "regional" means a geographic area comprised of either:

(i) at least five states, including this State; or

(ii) two or more states, including this State, if the entire business operations of the corporation are performed within fewer than five states; provided, however, that with respect to taxpayers which are subject to tax under Chapter 11 of Title 12, the requirement that "the entire business operations of the corporation are performed within fewer than five states", is replaced with "if all branches of the taxpayer, as defined below, are physically located in fewer than five states". For taxpayers which are subject to tax under Chapter 11 of Title 12, such taxpayer must have two or more branches, as that term is defined in Section 34-25-10(8), in each state within its region.

(c) A "company business unit" is an organizational unit of a corporation or bank and is defined by the particular product or category of products it sells.

(2) "New job" means a job created by an employer in this State at the time a new facility, expansion, or addition is initially staffed, but does not include a job created when an employee is shifted from an existing location in this State to work in a new or expanded facility. An employee may be employed at a temporary location in this State pending completion of the new facility, expansion, or addition.

(3) "Full-time" means a job requiring a minimum of thirty-five hours of an employee's time a week for the entire normal year of corporate operations or a job requiring a

minimum of thirty-five hours of an employee's time for a week for a year in which the employee was initially hired for or transferred to the corporate headquarters or research and development facility in this State.

(4) "Headquarters-related functions and services" are those functions involving financial, personnel, administrative, legal, planning, information technology, or similar business functions.

(5) "Headquarters staff employees" means executive, administrative, or professional workers performing headquarters related functions and services.

(a) An executive employee is a full-time employee in which at least eighty percent of his business functions involve the management of the enterprise and directing the work of at least two employees. An executive employee has the authority to hire and fire or has the authority to make recommendations related to hiring, firing, advancement, and promotion decisions, and an executive employee must customarily exercise discretionary powers.

(b) An administrative employee is a full-time employee who is not involved in manual work and whose work is directly related to management policies or general headquarters operations. An administrative employee must customarily exercise discretion and independent judgment.

(c) A professional employee is an employee whose primary duty is work requiring knowledge of an advanced type in a field of science or learning. This knowledge is characterized by a prolonged course of specialized study. The work must be original and creative in nature, and the work cannot be standardized over a specific period of time. The work must require consistent exercise of discretion and the employee must spend at least eighty percent of the time performing headquarters related functions and services.

(6) "Research and development" means laboratory, scientific, or experimental testing and development related to new products, new uses for existing products, or improving existing products, but "research and development" does not include efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, banking, or research in connection with literary, historical, or similar projects.

(7) "Research and development facility" means the building or buildings or portion of a building where research and development functions and services are physically located.

(8) "Direct lease costs" are cash lease payments. The term does not include any accrued, but unpaid, costs.

(9) "corporation", "corporate", "company", and "taxpayer" for purposes of this section also include a limited liability company which is subject to regulation under the Federal Power Act (16 U.S.C. Section 791(a)) and which is formed to operate or to take functional control of electric transmission assets as defined in the Federal Power Act regardless of whether the limited liability company is treated as a partnership or as a corporation for South Carolina income tax purposes. If treated as a partnership, a limited liability company that qualifies for a credit under this section passes the credit through to its members in proportion to their interests in the limited liability company. Each member's share of the credit is nonrefundable but is allowed as a credit against any tax under Section 12-6-530 or Section 12-20-50 and bank taxes imposed pursuant to Chapter 11 of this title. Each member may carry any unused credit forward as provided in subsection (F). The limited liability company may not carry forward a credit that passes through to its members.

**Credit for Infrastructure Construction**  
**Year Enacted – 1995**

**Explanation** – A corporation is allowed a credit against corporate income tax or bank tax equal to fifty (50) percent of the contributions or expenses paid or accrued by the taxpayer for the construction or improvement of water lines, sewer lines, and road projects. The credit is limited to \$10,000 per project per year, but the credit is available for each infrastructure project of the taxpayer. Any unused credit up to \$30,000 for each project may be carried forward for three (3) years. The maximum infrastructure credit project that may be claimed for each project is \$40,000.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	9
Amount of Credits Claimed –	\$3,043,408
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	9
Amount of Credits Claimed –	\$3,043,408

**N/R: Not Reported.**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	52
Amount of Credits Claimed –	\$8,040,871

**Primary Code Section**

**SECTION 12-6-3420.** Tax credit for construction or improvement of infrastructure project.

(A) A corporation may claim a credit for the construction or improvement of an infrastructure project against taxes due under Section 12-6-530 or Section 12-11-20 for:

- (1) expenses paid or accrued by the taxpayer;
- (2) contributions made to a governmental entity; or

(3) contributions made to a qualified private entity in the case of water or sewer lines and their related facilities in areas served by a private water and sewer company.

(B) For expenses paid or accrued by the taxpayer in building or improving any one infrastructure project:

(1) the credit is equal to fifty percent of the expenses or contributions;

(2) the credit is limited to ten thousand dollars annually; and

(3) any unused credit, up to a total amount of thirty thousand dollars, may be carried forward three years.

(C) For purposes of this section:

(1) An infrastructure project includes water lines or sewer lines, their related facilities, and roads that:

(a) do not exclusively benefit the taxpayer;

(b) are built to applicable standards; and

(c) are dedicated to public use or, in the case of water and sewer lines and their related facilities in areas served by a private water and sewer company, the water and sewer lines are deeded to a qualified private entity.

(2) A qualified private entity is an entity holding the required permits, certifications, and licenses from the South Carolina Department of Health and Environmental Control, the South Carolina Public Service Commission, and any other state agencies, departments, or commissions, from which approvals must be obtained in order to operate as a utility furnishing water supply services or sewage collection or treatment services, or both, to the public.

(D) If an infrastructure project benefits more than the taxpayer, the expenses of the taxpayer must be allocated to the various beneficiaries and only those expenses not allocated to the taxpayer's benefit qualify for the credit.

(E) The credit may be claimed before dedication or conveyance if the taxpayer submits with its tax return a letter of intent signed by the chief operating officer of the appropriate governmental entity or qualified private entity stating that upon completion the governmental entity or qualified private entity shall accept the infrastructure project for the appropriate use.

(F) A qualifying private entity is not allowed the credit provided by this section for expenses it incurs in building or improving facilities it owns, manages, or operates.

(G) If a road qualifying for the credit is subsequently removed from the state highway or public road system, the amount of the credit allowed for the construction of the road must be added to any corporate income tax due from the taxpayer in the first taxable year following the removal of the road from public use. The department may implement the provisions of this subsection by rules or regulation.

(H) A corporation which files or is required to file a consolidated return is entitled to the income tax credit allowed by this section on a consolidated basis. The tax credit may be determined on a consolidated basis regardless of whether or not the corporation entitled to the credit contributed to the tax liability of the consolidated group.

(I) The merger, consolidation, or reorganization of a corporation where tax attributes survive does not create new eligibility in a succeeding corporation but unused credits may be transferred and continued by the succeeding corporation. In addition, a corporation may assign its rights to its unused credit to another corporation if it transfers

all, or substantially all, of the assets of the corporation or all, or substantially all, of the assets of a trade or business or operating division of a corporation to another corporation.

**Credit Against License Fee for Infrastructure  
Year Enacted – 1996**

**Explanation** – A taxpayer that is subject to the corporate license fee, e.g., a power company, water company, gas company, telephone company, is allowed a credit against its license fee liability for 100% of the amount paid in cash for infrastructure for an eligible project of another taxpayer. The maximum credit that may be earned in any tax year by a taxpayer is \$300,000 and the credit cannot reduce the license fee liability of the taxpayer below zero. Any unused credits can be carried forward to the next succeeding year.

The “infrastructure” improvements include, but are not limited to, public and private water, sewer, gas, steam, and electric energy systems, and communications services made to a building or land which are considered necessary, suitable, or useful to an eligible project. This also includes highway, road, rail, water, and air transportation improvements.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

## **Primary Code Section**

### **SECTION 12-20-105. Tax credits**

(A) Any company subject to a license tax under Section 12-20-100 may claim a credit against its license tax liability for amounts paid in cash to provide infrastructure for an eligible project.

(B)(1) To be considered an eligible project for purposes of this section, the project must qualify for income tax credits under Chapter 6, Title 12, withholding tax credit under Chapter 10, Title 12, income tax credits under Chapter 14, Title 12, or fees in lieu of property taxes under either Chapter 12, Title 4, Chapter 29, Title 4, or Chapter 44, Title 12.

(2) If a project consists of an office, business, commercial, or industrial park which is owned or constructed by a county or political subdivision of this State when the qualifying improvements are paid for, the project does not have to meet the qualifications of item (1) to be considered an eligible project.

(C) For the purpose of this section, “infrastructure” means improvements for water, sewer, gas, steam, electric energy, and communication services made to a building or land that are considered necessary, suitable, or useful to an eligible project. These improvements include, but are not limited to:

(1) improvements to both public or private water and sewer systems;

(2) improvements to both public or private electric, natural gas, and telecommunications systems including, but not limited to, ones owned or leased by an electric cooperative, electric utility, or electric supplier, as defined in Chapter 27, Title 58;

(3) fixed transportation facilities including highway, road, rail, water, and air;

(4) for a qualifying project under subsection (B)(2), infrastructure improvements include industrial shell buildings and the purchase of land for an office, business, commercial, or industrial park which is owned or constructed by a county or political subdivision of this State. Nothing in this section shall prohibit the county or political subdivision from selling the industrial shell building or industrial park after the company has paid in cash to provide the infrastructure for an eligible project.

(D) A company is not allowed the credit provided by this section for actual expenses it incurs in the construction and operation of any building or infrastructure it owns, leases, manages, or operates.

(E) The maximum aggregate credit that may be claimed in any tax year by a single company is three hundred thousand dollars.

(F) The credits allowed by this section may not reduce the license tax liability of the company below zero. If the applicable credit originally earned during a taxable year exceeds the liability and is otherwise allowable under subsection (D), the amount of the excess may be carried forward to the next taxable year.

(G) For South Carolina income tax and license purposes, a company that claims the credit allowed by this section is ineligible to claim the credit allowed by Section 12-6-3420.

**Research and Development Credit  
Year Enacted – 2000**

**Explanation** – A taxpayer is allowed a credit against corporation or individual income tax and corporate license fees equal to five (5) percent of its qualified research expenses made in South Carolina. The credit is limited to fifty (50) percent of the taxpayer’s liability remaining after all other credits have been applied. Any unused credits may be carried forward, but must be used before ten (10) years after the date of the qualified research expenses. To qualify, the taxpayer must claim a federal income tax credit for increasing research activities for the taxable year.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	88
Amount of Credits Claimed –	\$15,753,004
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	50
Amount of Credits Claimed –	\$345,317
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	138
Amount of Credits Claimed –	\$16,098,321

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	242
Amount of Credits Claimed –	\$35,123,080

**Primary Code Section**

**SECTION 12-6-3415.** Tax credit for research and development expenditures.

(A) A taxpayer that claims a federal income tax credit pursuant to Section 41 of the Internal Revenue Code for increasing research activities for the taxable year is allowed a credit against any tax due pursuant to this chapter or Section 12-20-50 equal to five percent of the taxpayer’s qualified research expenses made in South Carolina. For the purposes of this credit, qualified research expenses has the same meaning as provided for in Section 41 of the Internal Revenue Code.

(B) The credit taken in any one taxable year pursuant to this section 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 years, 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 research expenses.

**Port Volume Increase Credit  
Year Enacted –2005**

**Explanation** – A taxpayer is allowed a tax credit if the taxpayer is engaged in manufacturing, warehousing, or distribution that uses South Carolina port facilities and increase its port cargo volume at these facilities by at least five (5) percent in a calendar year over its base year port cargo volume. The amount of the credit is determined by the Coordinating Council for Economic Development of the Department of Commerce upon application by the taxpayer. Any unused credits may be carried forward for five (5) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>6</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,702,268</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>3</b>
<b>Amount of Credits Claimed –</b>	<b>\$42,213</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>9</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,744,481</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>62</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,955,238</b>

**Primary Code Section**

**SECTION 12-6-3375.** Tax credit for port cargo volume increase; application to council; definitions.

(A)(1) A taxpayer engaged in manufacturing, warehousing, or distribution which uses port facilities in this State and which increases its port cargo volume at these facilities by a minimum of five percent in a single calendar year over its base year port cargo volume is eligible to claim a tax credit in the amount determined by the Coordinating Council for Economic Development (council).

(2) The maximum amount of tax credits allowed to all qualifying taxpayers pursuant to this section may not exceed eight million dollars for each calendar year. A qualifying taxpayer may not receive more than one million dollars for each calendar year except as provided in subsection (B)(2). The council has sole discretion in allocating credits provided by this section, taking into consideration the following factors:

- (a) the amount of base year port cargo volume;
- (b) the total and percentage increase in port cargo volume;
- (c) the number of qualifying taxpayers;
- (d) the type of cargo transported; and
- (e) other factors related to the economic benefit of the State, as determined by the council.

(3) If the credit exceeds the taxpayer's tax liability for the taxable year, the excess amount may be carried forward and claimed against income taxes in the next five succeeding taxable years.

(4) The credit may be claimed by the taxpayer as provided in (A)(1) only if the taxpayer owns the cargo at the time the port facilities are used.

(B)(1) For every year in which a taxpayer claims the credit, the taxpayer shall submit an application to the council by March first of the calendar year after the calendar year in which the increase in port cargo volume occurs. The taxpayer shall attach a schedule to the taxpayer's application to the council with the following information and information requested by the council or the department:

- (a) a description of how the base year port cargo volume and the increase in port cargo volume was determined;
- (b) the amount of the base year port cargo volume;
- (c) the amount of the increase in port cargo volume for the taxable year stated both as a percentage increase and as a total increase in net tons of noncontainerized cargo and TEUs of cargo, including information which demonstrates an increase in port cargo volume in excess of the minimum amount required to claim the tax credits pursuant to this section;
- (d) any tax credit utilized by the taxpayer in prior years; and
- (e) the amount of tax credit carried over from prior years.

(2) If on March fifteenth of each year, the eight-million-dollar amount of credit is not fully allocated among qualifying taxpayers, then those taxpayers who have been allocated the maximum one million dollar credit for a year must be allowed a pro rata share of the remaining allocated credit up to eight million dollars.

(3) To receive the credit the taxpayer shall claim the credit on its income tax return in a manner prescribed by the department. The department may require a copy of the certification form issued by the council be attached to the return or otherwise provided.

(C) As used in this section:

(1) "TEU" means a "twenty-foot equivalent unit"; a volumetric measure based on the size of a container twenty feet long by eight feet wide by eight feet, six inches high.

(2) "Base year port cargo volume" initially means the total amount of net tons of noncontainerized cargo or TEUs of cargo actually transported by way of a waterborne ship through a port facility during the period from January 1, 2005, through December 31, 2005. Base year port cargo volume must be at least seventy-five net tons of noncontainerized cargo or ten TEUs for a taxpayer to be eligible for the credits provided

in this section. For a taxpayer that does not ship that amount in the year ending December 31, 2005, including a taxpayer who locates in South Carolina after December 31, 2005, its base cargo volume will be measured by the initial January first through December thirty-first calendar year in which it meets the requirements of seventy-five net tons of noncontainerized cargo or ten loaded TEUs. Base year port cargo volume must be recalculated each calendar year after the initial base year.

(3) "Port facility" means any publicly or privately owned facility located within this State through which cargo is transported by way of a waterborne ship or vehicle to or from destinations outside this State and which handles cargo owned by third parties in addition to cargo owned by the port facility's owner.

(4) "Port cargo volume" means the total amount of net tons of noncontainerized cargo or containers measured in twenty-foot equivalent units (TEUs) of cargo transported by way of a waterborne ship or vehicle through a port facility.

(D) Notwithstanding Section 12-54-240, the department and the Department of Commerce may exchange information submitted by a taxpayer pursuant to this section.

**Credit for Child Care Programs  
Year Enacted –1995**

**Explanation** – An employer may claim a tax credit against corporate or individual income tax, bank tax, or insurance premium tax liability an amount equal to:

1. fifty (50) percent of its capital expenditures in South Carolina but no more than \$100,000 for costs incurred in establishing a child care program for its employees’ children, and
2. fifty (50) percent of the child care payments made not to exceed \$3,000 for each participating employee per year.

Qualifying capital expenditures for establishing a child care program include, but are not limited to, mortgage or lease payment for child care facilities, purchases of playground and classroom equipment, kitchen supplies, and cooking equipment, purchases of real property and improvements, and expenses incurred in organizing and administering the program for the first year.

Qualifying child care payments not to exceed \$3,000 for each participating employee include payments incurred by the taxpayer to operate a child care program for the taxpayer’s employees, and payments made directly to licensed or registered independent child care facilities for the employer’s employees if the children are kept at the facility during the employee’s working hours.

The credit may not exceed fifty (50) percent of the employer’s tax liability for that year. Any unused credits may be carried forward for ten (10) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>0</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>117,288</b>
<b>Amount of Credits Claimed –</b>	<b>\$20,432,880</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>117,288</b>
<b>Amount of Credits Claimed –</b>	<b>\$20,432,880</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 988,810</b> <b>Amount of Credits Claimed – \$766,218,805</b></p>
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**Primary Code Section**

**SECTION 12-6-3440.** Tax credit for employee child care programs.

(A) A taxpayer who employs persons who are residents of this State in any capacity may claim a credit against its state income tax, bank tax, or premium tax liability an amount equal to fifty percent of its capital expenditures in this State but no more than one hundred thousand dollars for costs incurred in establishing a child care program for its employees' children.

(B) For purposes of this section, "expenditures for costs incurred in establishing a child care program" include, but are not limited to, expenditures, including mortgage or lease payments, for playground and classroom equipment, kitchen appliances, cooking equipment, real property, including improvements in this State, and donations to a nonprofit corporation as defined in Internal Revenue Code Section 501(c)(3) for purposes of establishing a child care program. If credit is taken for donations by a corporation, a deduction to arrive at the net income of the corporation is not allowed. The program and operation of the program must meet the licensing, registration, or certification standards prescribed by law.

(C)(1) The taxpayer under subsection (A) is allowed as a credit against his state income tax, bank tax, or premium tax liability an amount not exceeding fifty percent of the child care payments incurred by the taxpayer to operate a child care program for his employees in this State, or made directly to licensed or registered independent child care facilities in the name of and for the benefit of an employee in this State of the taxpayer, which employee's children are kept at the facility during the employee's working hours. The payment may not exceed the amount charged to other children of like age and abilities of individuals not employed by the taxpayer. In addition, a taxpayer is allowed to include in the amount of the payment for calculation of the credit any administrative cost associated with payment to licensed or registered independent child care facilities not to exceed two percent. The credits allowed may not exceed three thousand dollars for each participating employee a year.

(2) Where an employee in this State chooses to utilize the provisions of this subsection which authorize direct payments to licensed child care facilities not operated by the employer, expenses incurred in organizing and administering the direct payment program in the first year are also considered start-up expenses or expenditures for establishing a child care program and qualify for credit allowed by subsection (A).

(3) For purposes of the credits allowed by this subsection, the taxpayer is required to retain information concerning the child care facility's federal identification number, license or registration number, payment amount, and in whose name and for whose benefit the payments were made.

(D) The credits established by this section taken in any one tax year are also limited to an amount not greater than fifty percent of a taxpayer's state income tax, bank tax, or premium tax liability for that year.

(E) A credit claimed under this section, but not used or available for use in a taxable year, may be carried forward for the next ten taxable years from the close of the tax year in which the expenditures are made until the amount of the credit is taken.

**Minority Business Credit**  
**Year Enacted – 1995**

**Explanation** – A taxpayer that has a contract with the State of South Carolina is allowed a tax credit who awards a subcontract to a certified South Carolina based minority business, i.e., socially and economically disadvantaged small business. The credit is equal to four (4) percent of the payments to that subcontractor for performing work pursuant to the contract. The credit is limited to a maximum of \$50,000 annually. A taxpayer may claim the credit for ten (10) consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit. There is no carry forward of unused credits.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>0</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>16</b>
<b>Amount of Credits Claimed –</b>	<b>\$191,612</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>16</b>
<b>Amount of Credits Claimed –</b>	<b>\$191,612</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>162</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,224,714</b>

**Primary Code Section**

**SECTION 12-6-3350.** Tax credit for State contractors subcontracting with socially and economically disadvantaged small business.

(A) A taxpayer having a contract with this State who subcontracts with a socially and economically disadvantaged small business is eligible for an income tax credit equal to four percent of the payments to that subcontractor for work pursuant to the contract. The

subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it.

(B) The credit is limited to a maximum of fifty thousand dollars annually. A taxpayer is eligible to claim the credit for ten consecutive taxable years beginning with the taxable year in which the first payment is made to the subcontractor that qualifies for the credit. After the above ten consecutive taxable years, the taxpayer is no longer eligible for the credit.

(C) A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor.

**Quality Improvement Program Credits**  
**Year Enacted – 2005**

**Explanation** – A taxpayer is allowed a tax credit equal to fifty (50) percent of any annual fees charged and paid to the South Carolina Quality Forum to participate in quality programs. The credits are limited to the tax liability of the taxpayer’s return. There is no carry forward of unused credits.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	9
Amount of Credits Claimed –	\$1,207,095

**Primary Code Section**

**SECTION 12-6-3580.** South Carolina Quality Forum participants; tax credits for registration fee and participation in organizational performance excellence assessment process; limitation.

(A) Taxpayers that pay an annual fee to the South Carolina Quality Forum to participate in quality programs are allowed a tax credit equal to the annual registration fee.

(B) Taxpayers also are allowed a tax credit equal to fifty percent of any fees charged to participate in the organizational performance excellence assessment process.

(C) Credits earned are limited to the amount of tax liability on the return and are not refundable.

**Fire Sprinkler System Credit**  
**Year Enacted – 2007**

**Explanation** – A taxpayer is allowed a tax credit equal to twenty-five (25) percent of the direct expenses incurred by the taxpayer against real property taxes levied by a local taxing entity. The local taxing entity must consent to the tax credit. A taxpayer who installs a fire sprinkler system in a commercial or residential structure, whether the structure of fire sprinkler is new or existing and is not required by law, regulation, or code, may also claim an income tax credit equal to the amount of the credit against real property taxes. The owner of the structure may transfer, devise, or distribute any unused credit to the tenant of the eligible site upon written notification of the transfer to the local taxing authority.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>61</b>
<b>Amount of Credits Claimed –</b>	<b>\$65,999</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>61</b>
<b>Amount of Credits Claimed –</b>	<b>\$65,999</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>61</b>
<b>Amount of Credits Claimed –</b>	<b>\$65,999</b>

**Primary Code Section**

**SECTION 12-6-3622.** Fire sprinkler system tax credits.

(A)(1) Subject to the terms and conditions of this section, a taxpayer who installs a fire sprinkler system in a commercial or residential structure, whether the structure or fire sprinkler is new or existing, when such installation is not required by law, regulation, or

code is eligible for a credit against real property taxes levied by a local taxing entity equal to twenty-five percent of the direct expenses, not including any type of fee charged by the publicly or privately owned utility, incurred by the taxpayer if the local taxing entity has consented to the tax credit.

(2) In any year in which the local taxing entity consents to a tax credit, the taxpayer also may claim an income tax credit equal to the amount of the credit against real property taxes.

(3) The credit earned pursuant to this subsection by an "S" corporation owing corporate level income tax must be used first at the entity level. Any remaining credit passes through to each shareholder in a percentage equal to each shareholder's percentage of stock ownership.

(4) The credit earned pursuant to this subsection by a general partnership, limited partnership, limited liability company, or any other entity taxed as a partnership must be passed through to its partners and may be allocated among any of its partners, including without limitation, an allocation of the entire credit to one partner, in a manner agreed by the partners that is consistent with Subchapter K of the Internal Revenue Code. As used in this subsection, the term "partner" means a partner, member, or owner of an interest in the pass-through entity, as applicable.

(B) The Department of Revenue shall develop a form on which a taxpayer may claim the credit against real property taxes. The taxpayer may claim the credit against real property taxes by submitting the form with the payment of real property taxes to the local taxing entity. The taxpayer may claim the credit against income taxes by submitting the form with the taxpayer's return.

(C) The owner of the structure may transfer, devise, or distribute any unused credit to the tenant of the eligible site. To be effectual, the local taxing entity must receive written notification.

(D) For purposes of this section, fire sprinkler system has the same meaning as in Section 40-10-20 (see below).

(E)(1) The General Assembly shall appoint a study committee to develop new strategies to increase participation in the tax credit program by all local taxing entities, and to review and make recommendations for increasing the installation of interconnected hard-wired smoke alarms. The study committee shall make a report of its findings to the General Assembly no later than January 30, 2011. The committee shall dissolve upon the date of its report.

(2) The study committee shall be composed of six members. Three members shall be appointed by the President Pro Tempore of the Senate and three members appointed by the Speaker of the House of Representatives. The study committee must be composed of a representative of the South Carolina Fire Sprinkler Association, a representative of the South Carolina Home Builders Association, a representative of the South Carolina Association of Counties, and a representative of the Municipal Association of South Carolina.

(3) Members of the study committee shall serve without any compensation for per diem, mileage, and subsistence.

#### **SECTION 40-10-20. Definitions.**

For purposes of this chapter:

(8) “Fire sprinkler system” means a system of overhead or underground piping, or both, to protect the interior or exterior of a building or structure from fire where the primary extinguishing agent is water and designed in accordance with fire protection engineering standards. The system includes the overhead and underground fire water mains, fire hydrants and hydrant mains, standpipes, and hose connection to sprinkler systems, supplied from a reliable, constant, and sufficient water supply, such as a gravity tank, fire pump, reservoir, or pressure tank, or connection by underground piping to a city main but does not include dual or multi-purpose water lines supplying fire systems or equipment, potable water, or process water, or both. The system is a network of specially sized or hydraulically designed piping installed in a building, structure, or area, generally overhead, and to which sprinklers are connected in a systematic pattern. The system includes a controlling valve and a device for actuating an alarm when the system is in operation. The system is usually activated by heat from a fire and discharges water over the fire area. Fire protection sprinkler systems include the following types: water based or wet-pipe systems, water foam systems, dry-pipe systems, preaction systems, residential systems, deluge systems, combined dry-pipe and preaction systems, non-freeze systems, and circulating closed loop systems.

## Section C. Industry Specific Credits

### Motion Picture Project Credit

Year Enacted – 1998

**Explanation** – A taxpayer is allowed an income tax credit equal to twenty (20) percent of a taxpayer’s cash investment in a company that develops or produces a qualified South Carolina motion picture project. To qualify for the credit, the following conditions must be met:

1. The taxpayer must invest cash in a company that develops or produces a qualified South Carolina motion picture project intended for commercial exploitation.
2. The motion picture project must submit all required documentation to the South Carolina Department of Commerce.
3. The qualified South Carolina motion picture project must register with the Department of Revenue and submit a record of allocation of credits and documentation required to meet the credit requirements.
4. The project must incur at least \$250,000 of costs directly in South Carolina, and at least twenty (20) percent of the filming days, but not less than ten (10) filming days, of principal photography must be in South Carolina.
5. The cash investment must be expended for:
  - a. services performed in South Carolina,
  - b. tangible personal property dedicated for first use in South Carolina, or
  - c. real property in South Carolina.

A taxpayer’s total credit for a single project is limited to \$100,000 for all years, and cannot exceed fifty (50) percent of the taxpayer’s South Carolina income tax liability. Any unused credit can be carried forward for fifteen (15) years.

### Tax Credits Claimed in FY2008-09 (Tax Year 2008)

#### Corporate Income Tax

Taxfilers Claiming Credits – N/R

Amount of Credits Claimed – N/R

#### Individual Income Tax

Taxfilers Claiming Credits – N/R

Amount of Credits Claimed – N/R

#### Total Credits Claimed

Taxfilers Claiming Credits – N/R

Amount of Credits Claimed – N/R

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 17</b> <b>Amount of Credits Claimed – \$140,607</b></p>
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**Primary Code Section**

**SECTION 12-6-3570.** Motion picture related income tax credit claims.

(A) A taxpayer may claim an income tax credit of an amount equal to twenty percent, but not more than one hundred thousand dollars, of the taxpayer's cash investment in a company that develops or produces a qualified South Carolina motion picture project. A taxpayer may claim no more than one credit in connection with the production of a single qualified South Carolina motion picture project. This credit is allowed over more than one taxable year but a taxpayer's total credit in all years, toward any such project, may not exceed one hundred thousand dollars. Any unused credit may be carried forward to fifteen succeeding taxable years.

(B) A taxpayer may claim a credit in an amount equal to twenty percent of the amount of a taxpayer's investment in the company that constructs or converts or equips, or any combination of these activities, of a motion picture production facility or post-production facility in this State. No credit is allowed unless the total amount invested in the motion picture production facility is at least two million dollars, exclusive of land costs, or the total amount invested in a post-production facility is at least one million dollars, exclusive of land costs. Documentation to the Department of Commerce sufficient to provide confirmation of this threshold must accompany the application for the credit. Any unused credit may be carried forward to fifteen succeeding taxable years. The total amount of credit, which may be claimed by all taxpayers with respect to the construction or conversion or equipping, or any combination of these activities, of a single motion picture production facility or post-production facility may not exceed five million dollars. A taxpayer may claim the credit allowed by this section only one time in connection with a single motion picture production facility and one time in a single post-production facility.

(C) The credit is earned when the cash is spent or when qualifying real property is dedicated for use as part of a South Carolina motion picture production facility or South Carolina post-production facility. If a South Carolina motion picture project, South Carolina motion picture production facility, or South Carolina post-production facility fails to meet the requirements of the section within three years from the end of the taxpayer's tax year when the credit was first claimed, then any taxpayer which claimed the credit shall increase its income tax liability in the fourth year by an amount equal to the amount of credits claimed in prior tax years with respect to the motion picture project, motion picture production facility, or post-production facility.

(D) Notwithstanding the amount of the credits allowed by this section, these credits, when combined with any other state income tax credits allowed the taxpayer for a particular taxable year, cannot reduce the taxpayer's South Carolina income tax liability more than fifty percent.

(E) All documentation provided by investors and their agents to the Department of Revenue in connection with claiming the credits allowed by this section is considered a tax return and subject to the penalty provisions in Chapter 54 of Title 12.

(F) As used in this section:

(1) "Investment" means cash with respect to subsection (A) of this section, and with respect to subsection (B) of this section cash or the fair market value of real property with any improvements thereon, or any combination of these. To qualify as "investment", cash must have been expended for services performed in this State, for tangible personal property dedicated to first use in this State, or for real property in this State. Investments in the form of real property must be real property located in this State on which facilities are located and can include the fair market value of a lease with a term in excess of thirty-six months of real property minus the fair market value of any consideration paid for the lease.

(2) "Motion picture production facility" means a site in this State that contains soundstages designed for the express purpose of film and television production for both theatrical and video release. Production includes, but is not limited to, motion pictures, made-for-television movies, and episodic television to a national or regional audience. The motion picture production facility site must include production offices, construction shops/mills, prop and costume shops, storage areas, parking for production vehicles, all of which complement the production needs and orientation of the overall facility purpose. The term does not include television stations, recording studios, or facilities predominately used to produce videos, commercials, training films, or advertising films.

(3) "Motion picture project" means a product intended for commercial exploitation that incurs at least two hundred fifty thousand dollars of costs directly in this State to produce a master negative motion picture, whether film, tape, or other medium, for theatrical or television exhibition in the United States and in which at least twenty percent of total filming days of principal photography, but not fewer than ten filming days, is filmed in this State. Upon the recommendation of the South Carolina Film Commission, and if appropriate, the Coordinating Council for Economic Development shall certify the motion picture project as a project eligible for purposes of this article.

(4) "Post-production facility" means a site in this State designated for the express purpose of accomplishing the post-production stage of film and television production for both theatrical and video release including the creation of visual effects, editing, and sound mixing. A post-production facility site is not required to contain a soundstage or be physically located at or near soundstages.

(5) "Qualified South Carolina motion picture project" means a motion picture project which has registered by submitting its record of allocation of credits and documentation to the Department of Revenue. Before registration all documentation of a motion picture project required to meet the credit requirements must be received by the Department of Commerce.

(6) Taxpayer means:

(a) in subsection (A), the person who invests in a qualified motion picture project;

(b) in subsection (B), the person who invests in the company that constructs, converts, or equips a “qualified South Carolina motion picture production facility”; and

(c) with respect to a motion picture equity fund created for the sole, expressed purpose of facilitating a slate of qualified South Carolina motion picture projects, the person who invests in the motion picture equity fund. Credits allowed under this subitem are allocated to the fund based upon twenty percent of the cash value of its investment in a qualified South Carolina motion picture project and distributed to equity fund members based upon the percentage of their interest in the equity fund.

**Motion Picture Wage/Payroll and Expenditure/Supplier Rebate  
Year Enacted – 2004**

**Explanation** – A taxpayer is allowed certain payroll expenses and expenditures incurred in connection with filming a motion picture in South Carolina to be rebated to a motion picture production company.

**Wage/Payroll Rebate** – The South Carolina Film Commission may rebate a portion of the payroll associated with the motion picture production in South Carolina to a qualifying and certified motion picture production company. The rebate cannot exceed twenty (20) percent of the total aggregate South Carolina payroll of the persons employed in connection with the production of a motion picture in South Carolina. The motion picture production company must incur total production costs in South Carolina of \$1,000,000 or more during the taxable year. It does not include the salary of an employee earning \$1,000,000 or more per motion picture. The total rebate for all qualifying projects is \$10,000,000 for each year. After filming in South Carolina is complete, the motion picture production company must request the rebate from the Department of Commerce by the last day of February following the year in which the certificate of completion was obtained. The rebate applies against the employees subject to South Carolina income tax withholding that have South Carolina income tax withheld and remitted.

**Expenditure/Supplier Rebate** – The South Carolina Film Commission may rebate to a qualifying motion picture production company up to thirty (30) percent of its expenditures made in South Carolina. To qualify, the company must spend at least \$1,000,000 in South Carolina. Expenditures eligible for the payroll rebate are not also eligible for this rebate, and only expenditures associated with a South Carolina supplier qualify.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>3</b>
<b>Amount of Credits Claimed –</b>	<b>\$38,823</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>3</b>
<b>Amount of Credits Claimed –</b>	<b>\$38,823</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 12</b> <b>Amount of Credits Claimed – \$8,416,580</b></p>
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**Primary Code Section**

**SECTION 12-62-20.** Definitions.

For purposes of this chapter:

- (1) “Company” means a corporation, partnership, limited liability company, or other business entity.
- (2) “Department” means the South Carolina Department of Commerce.
- (3) “Motion picture” means a feature-length film, video, television series, or commercial made in whole or in part in South Carolina, and intended for national theatrical or television viewing or as a television pilot produced by a motion picture production company. The term “motion picture” does not include the production of television coverage of news and athletic events or a production produced by a motion picture production company if records, as required by 18 U.S.C. 2257, are to be maintained by that motion picture production company with respect to any performer portrayed in that single media or multimedia program.
- (4) “Motion picture production company” means a company engaged in the business of producing motion pictures intended for a national theatrical release or for television viewing. “Motion picture production company” does not mean or include a company owned, affiliated, or controlled, in whole or in part, by a company or person that is in default on a loan made by the State or a loan guaranteed by the State.
- (5) “Payroll” means salary, wages, or other compensation subject to South Carolina income tax withholdings.
- (6) “Secretary” means the Secretary of the Department of Commerce or his designee.

**SECTION 12-62-30.** Exemption from state and local sales and use taxes.

A motion picture production company that intends to expend in the aggregate two hundred fifty thousand dollars or more in connection with the filming or production of one or more motion pictures in the State of South Carolina within a consecutive twelve-month period, upon making application for, meeting the requirements of, and receiving written certification of that designation from the department as provided in this chapter, shall be relieved from the payment of state and local sales and use taxes administered and collected by the Department of Revenue on funds expended in South Carolina in connection with the filming or production of a motion picture or pictures. The production of television coverage of news and athletic events is specifically excluded from the provisions of this chapter.

**SECTION 12-62-50.** Tax rebate for employment of persons subject to South Carolina income tax withholdings.

(A)(1) The South Carolina Film Commission may rebate to a motion picture production company a portion of the South Carolina payroll of the employment of persons subject to South Carolina income tax withholdings in connection with production of a motion picture. The rebate may not exceed fifteen percent of the total aggregate South Carolina payroll for persons subject to South Carolina income tax withholdings employed in connection with the production when total production costs in South Carolina equal or exceed one million dollars during the taxable year. The rebates in total may not annually exceed ten million dollars and shall come from the state's general fund. For purposes of this section, "total aggregate payroll" does not include the salary of an employee whose salary is equal to or greater than one million dollars for each motion picture.

(2)(a) For purposes of this section, an employee is an individual directly involved in the filming or post-production of a motion picture in South Carolina and who is an employee of a:

(i) motion picture production company that is directly involved in the filming or post-production of a motion picture in South Carolina; or

(ii) personal service corporation retained by a motion picture production company to provide persons used directly in the filming or post-production of a motion picture in South Carolina; or

(iii) payroll services or loan out company that is retained by a motion picture production company to provide employees who work directly in the filming or post-production of a motion picture in South Carolina.

(b) For his wages to qualify for the rebate, the employee must be certified by the department as a qualifying employee and the employee must have had South Carolina income tax withholding withheld and remitted to the Department of Revenue by a company described in item (2)(a).

(3) The rebate applies with respect to an employee described in subitem (a)(ii) or (iii) only if, before commencement of filming in South Carolina, the personal services corporation, payroll services company, or loan out company is approved and certified by the department, and makes an irrevocable assignment of its rebate to the motion picture production company that produced the motion picture. The assignment must be made on a form provided by the Department of Revenue, which must include a waiver of confidentiality pursuant to Section 12-54-240. Upon assignment, the rebate may be paid only to the motion picture production company.

(B)(1) The rebate provided in subsection (A) is available to the motion picture production company at the end of all filming in South Carolina in connection with the motion picture. The motion picture production company producing the motion picture must apply to the department for a certificate of completion once filming in South Carolina is complete. The motion picture production company must provide the information the department considers necessary to determine if the one million dollar expenditure requirement has been met.

(2) A motion picture production company may claim the rebate by filing a request for rebate with the department once the certificate of completion is obtained. The request for

rebate must be filed by the last day of February of the year following the year in which the certificate of completion is obtained. To claim the rebate, the motion picture production company and all companies described in subsection (A)(2)(a)(ii) or (iii) must be current with respect to all taxes due and owing the State at the time of filing the request for rebate. If the motion picture production company or a company described in subsection (A)(2)(a)(ii) or (iii) is not current with respect to all taxes due and owing the State, the motion picture production company is permanently barred from claiming the rebate.

(3) The motion picture production company must attach to its request for rebate a copy of the certificate of completion and a copy of all assignments of the rebate, if applicable.

(C) A motion picture production company claiming a rebate pursuant to this section, and all companies described in subsection (A)(2)(a)(ii) or (iii), must make payroll books and records available for inspection to the commission and the department at the times requested by the commission or the department. Each motion picture production company claiming the rebate, at the time of filing, must provide a report to both the commission and the department that includes the project's name, the name of each employee that worked on the motion picture, the social security number for each employee, the dates employed, the dates the employee worked on the motion picture, a job description for each employee, the total gross wages for each employee, the South Carolina taxable wages subject to withholding for each employee, the amount of rebate attributable to that employee, and other information considered necessary by the commission or the department. The report also must contain the total amount of withholding attributable to all employees that worked on the motion picture in South Carolina.

(D) For purposes of this section, and as an exception to Section 12-54-240, a motion picture production company and a company described in subsection (A)(2)(a)(ii) or (iii) agree that the commission and the department may share or provide information concerning the request for rebate and the certificate of completion among the respective taxpayers and the respective agencies.

**SECTION 12-62-60.** Distribution of admissions taxes; rebates to motion picture production companies; promotion of collaborative efforts between institutions of higher learning and motion picture related entities.

(A)(1) An amount equal to twenty-six percent of the general fund portion of admissions tax collected by the State of South Carolina for the previous fiscal year must be funded annually by September first to the department for the exclusive use of the South Carolina Film Commission. The department may rebate to a motion picture production company up to fifteen percent of the expenditures made by the motion picture production company in the State if the motion picture production company has a minimum in-state expenditure of one million dollars. The distribution of rebates may not exceed the amount annually funded to the department for the South Carolina Film Commission from the admissions tax collected by the State.

(2) This subsection does not apply to payroll paid for motion picture production employees subject to Section 12-62-50 or money paid to the companies described in

Section 12-62-50(A)(2)(a)(ii) or (iii). Unexpended funds from this source may be carried over to the next and succeeding fiscal years.

(B) Up to seven percent of the amount provided to the department in subsection (A) may be used exclusively for marketing and special events.

(C) The allocations to motion picture production companies contemplated by this chapter must be made by the Coordinating Council for Economic Development. The Coordinating Council for Economic Development may adopt rules and promulgate regulations for the application for and award of the rebate.

(D) One percent of the general fund portion of admissions tax collected by the State of South Carolina must be funded to the department for the exclusive use of the South Carolina Film Commission for the promotion of collaborative production and educational efforts between institutions of higher learning in South Carolina and motion picture related entities. The department, in conjunction with the South Carolina Film Commission, shall adopt rules and promulgate regulations necessary to administer this section. Unexpended funds from this source may be carried over to the next and succeeding fiscal years.

(E) The department shall report annually to the coordinating council on the use of all funds pursuant to this section. The report is a public record pursuant to the Freedom of Information Act, Chapter 4 of Title 30, and must be posted annually on the commission's website by January first.

**Motion Picture Production Facility Credit**  
**Year Enacted – 1998**

**Explanation** – A taxpayer is allowed an income tax credit equal to twenty (20) percent of a taxpayer’s investment in a company that constructs, converts, or equips a motion picture production facility or post production facility in South Carolina. The total investment in the motion picture production facility must be a least \$2,000,000, excluding land costs. The total investment in a post production facility must be at least \$1,000,000, excluding land cost. The total credit claimed by all taxpayers for a single motion picture production facility or post production facility is limited to \$5,000,000 for all years. A taxpayer may claim the credit only one time in connection with a single motion picture production facility and only one time for a single post production facility. This credit, when combined with all the taxpayer’s other South Carolina income tax credits, cannot exceed fifty (50) percent of the taxpayer’s South Carolina income tax liability. Any unused credit can be carried forward for fifteen (15) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>158</b>
<b>Amount of Credits Claimed –</b>	<b>\$392,714</b>

**Primary Code Section**

**SECTION 12-6-3570.** Motion picture related income tax credit claims.

(A) A taxpayer may claim an income tax credit of an amount equal to twenty percent, but not more than one hundred thousand dollars, of the taxpayer's cash investment in a company that develops or produces a qualified South Carolina motion picture project. A taxpayer may claim no more than one credit in connection with the production of a single qualified South Carolina motion picture project. This credit is allowed over more than one taxable year but a taxpayer's total credit in all years, toward any such project, may not exceed one hundred thousand dollars. Any unused credit may be carried forward to fifteen succeeding taxable years.

(B) A taxpayer may claim a credit in an amount equal to twenty percent of the amount of a taxpayer's investment in the company that constructs or converts or equips, or any combination of these activities, of a motion picture production facility or post-production facility in this State. No credit is allowed unless the total amount invested in the motion picture production facility is at least two million dollars, exclusive of land costs, or the total amount invested in a post-production facility is at least one million dollars, exclusive of land costs. Documentation to the Department of Commerce sufficient to provide confirmation of this threshold must accompany the application for the credit. Any unused credit may be carried forward to fifteen succeeding taxable years. The total amount of credit, which may be claimed by all taxpayers with respect to the construction or conversion or equipping, or any combination of these activities, of a single motion picture production facility or post-production facility may not exceed five million dollars. A taxpayer may claim the credit allowed by this section only one time in connection with a single motion picture production facility and one time in a single post-production facility.

(C) The credit is earned when the cash is spent or when qualifying real property is dedicated for use as part of a South Carolina motion picture production facility or South Carolina post-production facility. If a South Carolina motion picture project, South Carolina motion picture production facility, or South Carolina post-production facility fails to meet the requirements of the section within three years from the end of the taxpayer's tax year when the credit was first claimed, then any taxpayer which claimed the credit shall increase its income tax liability in the fourth year by an amount equal to the amount of credits claimed in prior tax years with respect to the motion picture project, motion picture production facility, or post-production facility.

(D) Notwithstanding the amount of the credits allowed by this section, these credits, when combined with any other state income tax credits allowed the taxpayer for a particular taxable year, cannot reduce the taxpayer's South Carolina income tax liability more than fifty percent.

(E) All documentation provided by investors and their agents to the Department of Revenue in connection with claiming the credits allowed by this section is considered a tax return and subject to the penalty provisions in Chapter 54 of Title 12.

(F) As used in this section:

(1) "Investment" means cash with respect to subsection (A) of this section, and with respect to subsection (B) of this section cash or the fair market value of real property with any improvements thereon, or any combination of these. To qualify as "investment", cash must have been expended for services performed in this State, for tangible personal property dedicated to first use in this State, or for real property in this State. Investments in the form of real property must be real property located in this State on which facilities

are located and can include the fair market value of a lease with a term in excess of thirty-six months of real property minus the fair market value of any consideration paid for the lease.

(2) “Motion picture production facility” means a site in this State that contains soundstages designed for the express purpose of film and television production for both theatrical and video release. Production includes, but is not limited to, motion pictures, made-for-television movies, and episodic television to a national or regional audience. The motion picture production facility site must include production offices, construction shops/mills, prop and costume shops, storage areas, parking for production vehicles, all of which complement the production needs and orientation of the overall facility purpose. The term does not include television stations, recording studios, or facilities predominately used to produce videos, commercials, training films, or advertising films.

(3) “Motion picture project” means a product intended for commercial exploitation that incurs at least two hundred fifty thousand dollars of costs directly in this State to produce a master negative motion picture, whether film, tape, or other medium, for theatrical or television exhibition in the United States and in which at least twenty percent of total filming days of principal photography, but not fewer than ten filming days, is filmed in this State. Upon the recommendation of the South Carolina Film Commission, and if appropriate, the Coordinating Council for Economic Development shall certify the motion picture project as a project eligible for purposes of this article.

(4) “Post-production facility” means a site in this State designated for the express purpose of accomplishing the post-production stage of film and television production for both theatrical and video release including the creation of visual effects, editing, and sound mixing. A post-production facility site is not required to contain a soundstage or be physically located at or near soundstages.

(5) “Qualified South Carolina motion picture project” means a motion picture project which has registered by submitting its record of allocation of credits and documentation to the Department of Revenue. Before registration all documentation of a motion picture project required to meet the credit requirements must be received by the Department of Commerce.

(6) Taxpayer means:

(a) in subsection (A), the person who invests in a qualified motion picture project;

(b) in subsection (B), the person who invests in the company that constructs, converts, or equips a “qualified South Carolina motion picture production facility”; and

(c) with respect to a motion picture equity fund created for the sole, expressed purpose of facilitating a slate of qualified South Carolina motion picture projects, the person who invests in the motion picture equity fund. Credits allowed under this subitem are allocated to the fund based upon twenty percent of the cash value of its investment in a qualified South Carolina motion picture project and distributed to equity fund members based upon the percentage of their interest in the equity fund.

**Commercial Production Credit**  
**Year Enacted – 2004**

**Explanation** – A production company producing commercials for multi-market distribution via television networks, cable, satellite, or motion picture theaters is allowed an income tax credit equal to ten (10) percent of its South Carolina investment in such commercials during the calendar year. The production company's total base investment in state certified commercial productions must exceed \$500,000 during the calendar year. The State has \$1,000,000 in total tax credits to disburse annually to all eligible companies. The amount disbursed is based on the order of approval of the company's application by the Department of Commerce. Any unused credit may be carried forward for ten (10) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>7</b>
<b>Amount of Credits Claimed –</b>	<b>\$9,680</b>

**Primary Code Section**

**SECTION 12-6-3560.** Credit against state income tax for motion picture and advertisement production companies.

(A)(1) This section authorizes a tax credit against state income tax for production companies that produce a commercial production being an advertisement, composed of

moving images and words, that is recorded on film, videotape, or digital medium in South Carolina for multi-market distribution by way of television networks, cable, satellite, or motion picture theaters. This credit is not available to companies that produce industrial videos, television broadcasts, cable and satellite networks, and news sporting events. The tax credit may be earned by a production company at the time of its investment in a state-certified production and must be calculated as a percentage of the investment according to the total base investment dollars certified. If total base investment is greater than five hundred thousand dollars in the aggregate during the calendar year, the production company is allowed a tax credit of ten percent of the actual South Carolina investment made by that production company. The State has annually one million dollars in total tax credits to disburse to all eligible production companies. This tax credit must be distributed to the eligible production company in the same order that the eligible production company's application for the tax credit is approved by the Department of Commerce.

(2) If the entire credit is not used in the year earned, the remaining credit may be carried forward and applied against income tax liabilities for the next ten years. An entity taxed as a corporation for South Carolina income tax purposes shall claim the credit allowed pursuant to this section on its corporation income tax return. An entity not taxed as a corporation shall claim the credit on the returns of the partners or members as follows:

(a) corporate partners or members shall claim their shares of the credit on their corporate income tax returns;

(b) individual partners or members shall claim their shares of the credit on their individual income tax returns; and

(c) partners or members that are estates or trusts shall claim their shares of the credit on their fiduciary income tax returns.

(B)(1) The Secretary of the Department of Commerce and the South Carolina Film Commission shall determine, through adoption of rules and promulgation of regulations, the criteria for qualification of a project according to this section. Promulgation of these regulations are subject to the Administrative Procedures Act.

(2) Certification by the Department of Commerce must be submitted to both the production company and to the Director of the Department of Revenue.

(3) A production company applying for the credit must reimburse the Department of Revenue for any audits required in relation to granting the credit.

(4) The Secretary of the Department of Commerce, in consultation with the Director of the South Carolina Film Commission, shall adopt rules and promulgate regulations otherwise necessary to carry out the intent and purposes of this section.

**Milk Producer Credit**  
**Year Enacted – 2005**

**Explanation** – A resident taxpayer in the business of producing milk for sale is allowed a **refundable** income tax credit of,

1. \$10,000 based on the production and sale of the first 500,000 pounds of milk sold below the production price over a calendar year, and
2. an additional \$5,000 for each additional 500,000 pounds sold below the production price.

The credit is prorated on a quarterly basis. The South Carolina Department of Agriculture determines when the USDA Class I price of fluid milk in South Carolina drops below the production price.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**Primary Code Section**

**SECTION 12-6-3590.** Credit for milk producer; promulgation of regulations.

(A) A resident taxpayer engaged in the business of producing milk for sale is allowed a refundable income tax credit based on the amount of milk produced and sold. The credit may be claimed against the taxes due pursuant to Section 12-6-510 or 12-6-530. The credit is allowed when the USDA Class I price of fluid milk in South Carolina drops below the production price anytime during the taxable year.

(B) The Department of Agriculture shall promulgate regulations to implement the provisions of this section, including the establishment of the production price, which must consider the following factors, including but not limited to:

(1) the average price of milk in the top five states where milk is imported to South Carolina;

(2) the average transportation cost of importing milk from those five states; and

(3) the cost of production in South Carolina.

(C)(1) Each qualifying taxpayer is eligible for a ten thousand dollar tax credit based on the production and sale of the first five hundred thousand pounds of milk sold below the production price over a calendar year. The credit must be prorated on a quarterly basis.

(2) For each additional five hundred thousand pounds of milk sold below the production price, there is allowed an additional credit of five thousand dollars, also prorated on a quarterly basis.

(D) If no taxes are due, or the credit exceeds the tax liability of the taxpayer for the taxable year, the amount of the credit or excess over the tax liability must be refunded to the taxpayer. The South Carolina Commissioner of Agriculture shall certify to the Department of Revenue that producers claiming credits have met the eligibility requirements provided in this section.

(E) The credit allowed pursuant to this section must be reviewed after it has been in place for two taxable years.

**Agricultural Use of Anhydrous Ammonia Credit  
Year Enacted – 2005**

**Explanation** – A resident taxpayer in the business of farming is allowed a refundable income tax credit equal to the amount expended to obtain the additive required to prevent the conversion of the active ingredient into methamphetamine, its salts, or isomers for the agricultural use of anhydrous ammonia.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R

**Primary Code Section**

**SECTION 12-6-3582.** Income tax credits; agricultural use of anhydrous ammonia.

(A) A resident taxpayer engaged in the business of farming is allowed a refundable income tax credit equal to the amount expended by the taxpayer to obtain the additive required to comply with the provisions of Section 44-53-375(E)(2)(a)(ii) for the agricultural use of anhydrous ammonia. The credit may be claimed against the taxes due pursuant to Section 12-6-510 or 12-6-530.

(B) If no taxes are due, or the credit exceeds the tax liability of the taxpayer for the taxable year, the amount of the credit or excess over the tax liability must be refunded to the taxpayer.

(C) The department may require the documentation it determines necessary for the proper administration of this credit.

**Whole Effluent Toxicity Testing Credit for Manufacturing Facility  
Year Enacted – 2006**

**Explanation** – A manufacturing facility is allowed a corporate income tax credit of twenty-five (25) percent of the costs incurred in complying with whole effluent toxicity testing. Any unused credits may be carried forward for ten (10) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	2
Amount of Credits Claimed –	\$142,200

**Primary Code Section**

**SECTION 12-6-3589.** Tax credit for effluent toxicity testing.

(A) A manufacturing facility may claim a tax credit equal to twenty-five percent for costs it incurs in complying with whole effluent toxicity testing. The credit is allowed only against taxes imposed by Section 12-6-530. Unused credits may be carried forward for ten years.

(B) For purposes of this section, “manufacturing facility” is as defined in Section 12-6-3360(M)(5).

**Section D. Property Rehabilitation Credits**

**Textile Revitalization Credits**

**Year Enacted – 2005**

**Explanation** – A taxpayer is allowed an income/license tax credit or property tax credit for the renovation, improvement, and redevelopment of abandoned textile mills in South Carolina.

1. The income or license tax credit is equal to twenty-five (25) percent of the qualified rehabilitation expenses. The credit is claimed in equal installments over a five (5) year period beginning with the year the property is placed in service. Any unused credit may be carried forward for five (5) years. A taxpayer may claim this credit against income or license taxes in addition to the credit for rehabilitation of a certified historic structure allowed pursuant to Section 12-6-3535.
2. The “real property tax credit” is equal to twenty-five (25) percent of the qualified rehabilitation expenses made to the eligible site up to seventy-five (75) percent of the real property taxes due on the site each year. The municipality or the county must determine the eligibility of the site and the proposed project. The ordinance shall allow the property tax credit to be taken against up to seventy-five (75) percent of the real property taxes due on the site each year not to exceed eight (8) years. The credit vests in the taxpayer in the year in which the eligible site is placed in service. The credit may be carried forward up to eight (8) years.

The Textile Communities Revitalization Act is repealed on July 1, 2014.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>48</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,113,010</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>48</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,113,010</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 251</b> <b>Amount of Credits Claimed – \$6,035,024</b></p>
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**Primary Code Section**

**SECTION 6-32-40.** Property tax credits.

(A) Subject to the terms and conditions of this chapter, a taxpayer who improves, renovates, or redevelops an eligible site is eligible for one of the following two tax credits:

(1) a credit against real property taxes levied by local taxing entities equal to twenty-five percent of the rehabilitation expenses made to the eligible site times the local taxing entity ratio of each local taxing entity that has consented to the tax credit pursuant to subsection (B) below; or

(2) a credit against any taxes to which the state historic credit may apply equal to twenty-five percent of the rehabilitation expenses.

(B) If the taxpayer elects to receive the credit pursuant to subsection (A)(1) the following provisions shall apply:

(1) The municipality or, if the eligible site is located in an unincorporated area, the county first by resolution shall determine the eligibility of the eligible site and the eligibility of the proposed project seeking the credit. Any proposed project beginning after July 1, 2004, must be approved by a majority vote of the local governing body. The foregoing determinations and the municipality's or county's approval of the eligible site and proposed project must be by ordinance and public hearing. The ordinance shall provide for the credit to be taken as a credit against up to seventy-five percent of the real property taxes due on the site each year not to exceed eight years. Before determining the eligibility of the proposed eligible site, the municipality or county shall make a finding that the credit will not violate any covenant, representation, or warranty in any of its tax increment financing transactions.

(2) Not less than forty-five days before holding the public hearing contemplated in subsection (B)(1), the governing body of the municipality or county shall give notice to all affected local taxing entities where the eligible site is located of its intention to grant a tax credit for an eligible site and the amount of the tax credit proposed to be granted. If a local taxing entity does not file an objection to the tax credit with the municipality or county on or before the date of the public hearing, the local taxing entity is considered to have consented to the tax credit, provided that the actual tax credit granted is equal to or less than the tax credit stated in the notice of public hearing.

(3) The tax credit shall vest in the taxpayer in the tax year when the eligible site is placed in service and may be carried forward, in whole or in part, for up to eight years following that date.

(C) If the taxpayer elects to receive the credit pursuant to subsection (A)(2), the following provisions apply:

(1) The entire credit may not be taken for the taxable year in which the eligible site is placed in service but must be taken in equal installments over a five-year period beginning with the year in which the property is placed in service. Any unused portion of a credit installment may be carried forward for the succeeding five years.

(2) The credit earned pursuant to this subsection by a “S” corporation owing corporate level income tax must be used first at the entity level. Any remaining credit passes through to each shareholder in a percentage equal to each shareholder’s percentage of stock ownership.

(3) The credit earned pursuant to this subsection by a general partnership, limited partnership, limited liability company, or any other entity taxed as a partnership must be passed through to its partners and may be allocated among any of its partners, including without limitation, an allocation of the entire credit to one partner, in any manner agreed by the partners that is consistent with Subchapter K of the Internal Revenue Code. As used in this subsection, the term “partner” means a partner, member, or owner of an interest in the pass through entity, as applicable.

(4) The credit earned pursuant to this subsection is in addition to and does not offset the state historic credit in the event the eligible site also is eligible for the state historic credit.

(D) The taxpayer shall elect the mode of credit pursuant to subsection (A)(1) or subsection (A)(2) by providing written notification of its intent to the South Carolina Department of Commerce prior to the date the eligible site is placed in service; provided, that, if the taxpayer did not obtain the approvals contained in subsection (B) or fails to affirmatively make the election prescribed in this chapter before the date the eligible site is placed in service, the taxpayer is considered to have elected to receive the credit provided in subsection (A)(2) without the need for a written election.

**Retail Facility Revitalization Credits**  
**Year Enacted – 2006**

**Explanation** – A taxpayer is allowed an income tax credit or property tax credit for the renovation, improvement, and redevelopment of abandoned retail facility sites in South Carolina. It applies for rehabilitation expenses incurred, without regard to the date these expenses were incurred, for eligible sites placed in service on or after July 1, 2006.

1. The income tax credit is equal to ten (10) percent of the qualified rehabilitation expenses. The credit is claimed in equal installments over an eight (8) year period beginning with the year the property is placed in service. Any unused credit may be carried forward for five (5) years. A taxpayer may claim this credit against income or license taxes in addition to the credit for rehabilitation of a certified historic structure allowed pursuant to Section 12-6-3535.
2. The “real property tax credit” is equal to twenty-five (25) percent of the qualified rehabilitation expenses made to the eligible site up to seventy-five (75) percent of the real property taxes due on the site each year. The municipality or the county must determine the eligibility of the site and the proposed project. The ordinance shall allow the property tax credit to be taken against up to seventy-five (75) percent of the real property taxes due on the site each year not to exceed eight (8) years. The credit vests in the taxpayer in the year in which the eligible site is placed in service. The credit may be carried forward up to eight (8) years.

The Retail Facilities Revitalization Act is repealed on July 1, 2016.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>9</b>
<b>Amount of Credits Claimed –</b>	<b>\$107,636</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>9</b>
<b>Amount of Credits Claimed –</b>	<b>\$107,636</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 15</b> <b>Amount of Credits Claimed – \$197,696</b></p>
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**Primary Code Section**

**SECTION 6-34-40.** Tax credits for rehabilitation expenses.

(A) Subject to the terms and conditions of this chapter, a taxpayer who improves, renovates, or redevelops an eligible site is eligible for one of the following two tax credits:

(1) a credit against real property taxes levied by local taxing entities equal to twenty-five percent of the rehabilitation expenses made to the eligible site times the local taxing entity ratio of each local taxing entity that has consented to the tax credit pursuant to subsection (B) below; or

(2) a credit against any state income taxes imposed equal to ten percent of the rehabilitation expenses.

(B) If the taxpayer elects to receive the credit pursuant to subsection (A)(1), the following provisions shall apply:

(1) The municipality or, if the eligible site is located in an unincorporated area, the county first by resolution shall determine the eligibility of the eligible site and the eligibility of the proposed project seeking the credit. Any proposed project beginning after July 1, 2006, must be approved by a majority vote of the local governing body. The foregoing determinations and the municipality's or county's approval of the eligible site and proposed project must be by ordinance and public hearing. The ordinance shall provide for the credit to be taken as a credit against up to seventy-five percent of the real property taxes due on the site each year not to exceed eight years. Before determining the eligibility of the proposed eligible site, the municipality or county shall make a finding that the credit will not violate any covenant, representation, or warranty in any of its tax increment financing transactions.

(2) Not less than forty-five days before holding the public hearing contemplated in subsection (B)(1), the governing body of the municipality or county shall give notice to all affected local taxing entities where the eligible site is located of its intention to grant a tax credit for an eligible site and the amount of the tax credit proposed to be granted. If a local taxing entity does not file an objection to the tax credit with the municipality or county on or before the date of the public hearing, the local taxing entity is considered to have consented to the tax credit, provided that the actual tax credit granted is equal to or less than the tax credit stated in the notice of public hearing.

(3) The tax credit shall vest in the taxpayer in the tax year when the eligible site is placed in service and may be carried forward, in whole or in part, for up to eight years following that date.

(C) If the taxpayer elects to receive the credit pursuant to subsection (A)(2), the following provisions apply:

(1) The entire credit may not be taken for the taxable year in which the eligible site is placed in service, but must be taken in equal installments over an eight-year period beginning with the year in which the property is placed in service. Any unused portion of a credit installment may be carried forward for the succeeding five years.

(2) The credit earned pursuant to this subsection by a "S" corporation owing corporate level income tax must be used first at the entity level. Any remaining credit passes through to each shareholder in a percentage equal to each shareholder's percentage of stock ownership.

(3) The credit earned pursuant to this subsection by a general partnership, limited partnership, limited liability company, or any other entity taxed as a partnership must be passed through to its partners and may be allocated among any of its partners, including without limitation, an allocation of the entire credit to one partner, in a manner agreed by the partners that is consistent with Subchapter K of the Internal Revenue Code. As used in this subsection, the term "partner" means a partner, member, or owner of an interest in the pass-through entity, as applicable.

(4) The credit earned pursuant to this subsection is in addition to and does not offset the state historic credit in the event the eligible site also is eligible for the state historic credit.

(5) The South Carolina Department of Revenue may promulgate regulations to verify the site's eligibility in accordance with the provisions of this chapter.

(D) The taxpayer shall elect the mode of credit pursuant to subsection (A)(1) or subsection (A)(2) by providing written notification of its intent to the South Carolina Department of Revenue prior to the date the eligible site is placed in service; provided, that, if the taxpayer did not obtain the approvals contained in subsection (B) or fails to affirmatively make the election prescribed in this chapter before the date the eligible site is placed in service, the taxpayer is considered to have elected to receive the credit provided in subsection (A)(2).

(E) The owner of the eligible site may transfer, devise, or distribute any unused credit to the tenant of the eligible site. To be effectual, the department must receive written notification and approve of the transfer, devise, or distribution.

(F) For the credit pursuant to subsection (A)(1), the governing body of a county or municipality where the site is located, by resolution, may reduce the forty thousand square foot eligibility requirement in Section 6-34-30(2) by not more than fifteen thousand square feet.

**Credit for Rehabilitation of a Certified Historic Structure  
Year Enacted – 2002**

**Explanation** – There are two (2) similar income tax credits available to taxpayers making historic rehabilitation expenditures in South Carolina.

1. Rehabilitation of a certified historic structure credit (available to taxpayers that qualify for the federal rehabilitation credit) – A taxpayer is allowed an income tax or license tax credit equal to ten (10) percent of the qualified rehabilitation expenditures for certified historic structure located in South Carolina that qualify for the federal rehabilitation credit provided in IRS Code Section 47. The credit is claimed in equal amounts over a five (5) year period beginning with the year that the property is placed in service. Any unused credit may be carried forward for the succeeding five (5) years.
2. Rehabilitation of a certified residential historic structure credit (available to taxpayers that do not qualify for the federal rehabilitation credit) – A taxpayer is allowed an income tax credit equal to twenty-five (25) percent of the rehabilitation expenses for a certified historic residential structure located in South Carolina. The rehabilitation expenses must exceed \$15,000 in a thirty-six (36) month period. The taxpayer must receive certification from the Director of the Department of Archives and History to claim the credit. The credit is claimed in equal amounts over a five (5) year period beginning with the year that the certified rehabilitation is placed in service. Any unused credit may be carried forward for five (5) succeeding years. A taxpayer cannot take more than one credit on the same certified historic residential structure within ten (10) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>1</b>
<b>Amount of Credits Claimed –</b>	<b>\$235,155</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>70</b>
<b>Amount of Credits Claimed –</b>	<b>\$737,829</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>71</b>
<b>Amount of Credits Claimed –</b>	<b>\$972,984</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<p><b>Taxfilers Claiming Credits – 253</b> <b>Amount of Credits Claimed – \$3,711,496</b></p>
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**Primary Code Section**

**SECTION 12-6-3535.** Income tax credit for making qualified rehabilitation expenditures for a certified historic structure.

(A) A taxpayer who is allowed a federal income tax credit pursuant to Section 47 of the Internal Revenue Code for making qualified rehabilitation expenditures for a certified historic structure located in this State is allowed to claim a credit against income taxes and license fees imposed by this title. For the purposes of this section, “qualified rehabilitation expenditures” and “certified historic structure” are defined as provided in the Internal Revenue Code Section 47 and the applicable treasury regulations. The amount of the credit is ten percent of the expenditures that qualify for the federal credit. To claim the credit allowed by this subsection, a taxpayer filing a paper return must attach a copy of the section of the federal income tax return showing the credit claimed, along with other information that the Department of Revenue determines is necessary for the calculation of the credit provided by this subsection.

(B) A taxpayer who is not eligible for a federal income tax credit under Section 47 of the Internal Revenue Code and who makes rehabilitation expenses for a certified historic residential structure located in this State is allowed to claim a credit against the tax imposed by this chapter. The amount of the credit is twenty-five percent of the rehabilitation expenses. To claim the credit allowed by this subsection, a taxpayer filing a paper return must attach a copy of the certification obtained from the State Historic Preservation Officer verifying that the historic structure has been rehabilitated in accordance with this subsection, along with all information that the Department of Revenue determines is necessary for the calculation of the credit provided by this subsection. A taxpayer filing an electronic return shall keep a copy of the certification with his tax records.

For the purposes of subsections (B) through (F):

- (1) “Certified historic residential structure” means an owner-occupied residence that is:
  - (a) listed individually in the National Register of Historic Places;
  - (b) considered by the State Historic Preservation Officer to contribute to the historic significance of a National Register Historic District;
  - (c) considered by the State Historic Preservation Officer to meet the criteria for individual listing in the National Register of Historic Places; or
  - (d) an outbuilding of an otherwise eligible property considered by the State Historic Preservation Officer to contribute to the historic significance of the property.
- (2) “Certified rehabilitation” means repairs or alterations consistent with the Secretary of the Interior’s Standards for Rehabilitation and certified as such by the State Historic Preservation Officer before commencement of the work. The review by the State Historic

Preservation Officer shall include all repairs, alterations, rehabilitation, and new construction on the certified historic residential structure and the property on which it is located. To qualify for the credit, the taxpayer shall receive documentation from the State Historic Preservation Officer verifying that the completed project was rehabilitated in accordance with the standards for rehabilitation. The rehabilitation expenses must, within a thirty-six-month period, exceed fifteen thousand dollars. A taxpayer shall not take more than one credit on the same certified historic residential structure within ten years.

(3) “Rehabilitation expenses” means expenses incurred by the taxpayer in the certified rehabilitation of a certified historic residential structure that are paid before the credit is claimed including preservation and rehabilitation work done to the exterior of a certified historic residential structure, repair and stabilization of historic structural systems, restoration of historic plaster, energy efficiency measures except insulation in frame walls, repairs or rehabilitation of heating, air-conditioning, or ventilating systems, repairs or rehabilitation of electrical or plumbing systems exclusive of new electrical appliances and electrical or plumbing fixtures, and architectural and engineering fees.

“Rehabilitation expenses” do not include the cost of acquiring or marketing the property, the cost of new construction beyond the volume of the existing certified historic residential structure, the value of an owner’s personal labor, or the cost of personal property.

(4) “State Historic Preservation Officer” means the Director of the Department of Archives and History or the director’s designee who administers the historic preservation programs within the State.

(5) “Owner-occupied residence” means a building or portion of a building in which the taxpayer has an ownership interest, in whole or in part, in fee, by life estate, or as the income beneficiary of a property trust, that is, after being placed in service, the residence of the taxpayer and is not:

- (a) actively used in a trade or business;
- (b) held for the production of income; or
- (c) held for sales or disposition in the ordinary course of the taxpayer’s trade or business.

(C)(1) The entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in equal installments over a five-year period beginning with the year in which the property is placed in service. “Placed in service” means the rehabilitation is completed and allows for the intended use. Any unused portion of any credit installment may be carried forward for the succeeding five years.

(2) The credit earned pursuant to this section by an “S” corporation owing corporate level income tax must be used first at the entity level. Remaining credit passes through to each shareholder in a percentage equal to each shareholder’s percentage of stock ownership. The credit earned pursuant to this section by a general partnership, limited partnership, limited liability company, or other entity taxed as a partnership must be passed through to its partners and may be allocated among partners, including without limitation, an allocation of the entire credit to one partner, in a manner agreed by the partners that is consistent with Subchapter K of the Internal Revenue Code. As used in this item the term “ partner” means a partner, member, or owner of an interest in the pass-through entity, as applicable.

(D) Additional work done by the taxpayer while the credit is being claimed, for a period of up to five years, must be consistent with the Secretary of the Interior’s Standards for

Rehabilitation. During this period the State Historic Preservation Officer may review additional work to the certified historic structure or certified historic residential structure and has the right to inspect certified historic structures and certified historic residential structures. If additional work is not consistent with the Standards for Rehabilitation, the taxpayer and Department of Revenue must be notified in writing and any unused portion of the credit, including carry forward, is forfeited.

(E) The South Carolina Department of Archives and History shall develop an application and may promulgate regulations, including the establishment of fees, needed to administer the certification process. The Department of Revenue may promulgate regulations, including the establishment of fees, to administer the tax credit.

(F) A taxpayer may appeal a decision of the State Historic Preservation Officer to a committee of the State Review Board appointed by the chairperson.

**Section E. Land Conservation or Environmental Credits**

**Conservation Credit  
Year Enacted – 2000**

**Explanation** – A taxpayer who is entitled to and claims a federal charitable deduction for a gift of land for conservation or for a qualified conservation contribution of a qualified real property interest located in South Carolina is allowed to claim an income tax credit equal to twenty-five (25) percent of the deduction attributable to the gift of land for conservation or to the qualified real property interest located in South Carolina. The credit cannot exceed \$250 per acre of property to which the qualified conservation contribution of gift of land for conservation applies, and the total credit claimed cannot exceed \$52,500 per year per taxpayer. Any unused credit may be carried forward until used. The unused credit may be transferred, devised, or distributed, with or without consideration, to another taxpayer upon written notification to, and approval by, the Department of Revenue of the transfer.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>2</b>
<b>Amount of Credits Claimed –</b>	<b>\$24,499</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>235</b>
<b>Amount of Credits Claimed –</b>	<b>\$5,893,181</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>237</b>
<b>Amount of Credits Claimed –</b>	<b>\$5,917,680</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>913</b>
<b>Amount of Credits Claimed –</b>	<b>\$24,123,761</b>

**Primary Code Section**

**SECTION 12-6-3515.** Credit for conservation or qualified conservation contribution of real property; lands eligible; transfer of credits; definitions.

(A) A taxpayer who has qualified for and claimed on the taxpayer's federal income tax return a charitable deduction for a gift of land for conservation or for a qualified conservation contribution donated after May 31, 2001, on a qualified real property interest located in this State may elect to claim a credit against a tax imposed by this chapter for the applicable tax year in an amount equal to twenty-five percent of the total amount of the deduction attributable to the gift of land for conservation or to the qualified real property interest located in this State; provided, however, that the credit is subject to the caps provided in subsection (C). If the amount of the credit exceeds the taxpayer's tax liability under this chapter for the taxable year, or if it exceeds the maximum credit that may be used in any particular taxable year as provided in subsection (C)(2), the excess credit may be carried forward to succeeding taxable years until all the credit is claimed. In addition to the carry forward of unused credit, unused credit may be transferred, devised, or distributed, with or without consideration, by an individual, partnership, limited liability company, corporation, trust, or estate. To be effectual, such a transfer, devise, or distribution requires written notification to and approval by the department with the unused credit maintaining all its original attributes in the hands of the recipient. With regard to the sale or exchange of a credit allowed under this section, general income tax principles apply for purposes of the state income tax. In the hands of the original donor of a qualified conservation contribution of a qualified real property interest, or of a gift of land for conservation, and of any subsequent transferee, devisee, or distributee, the credit allowed by this section that may be used to offset state income tax liability in any one taxable year is limited to an amount that, when combined with all other state income tax credits of the taxpayer, does not exceed the taxpayer's total state income tax liability for the taxable year. The fair market value of qualified donations made pursuant to this section must be substantiated by a "qualified appraisal" prepared by a "qualified appraiser" as those terms are defined under applicable federal law and regulations applicable to charitable contributions.

(B)(1) For purposes of this section:

(a) "Qualified conservation contribution" and a "qualified real property interest" are defined as provided in Internal Revenue Code Section 170(h);

(b) "Gift of land for conservation" means a charitable contribution of fee simple title to real property conveyed for conservation purposes as defined in Internal Revenue Code Section 170(h)(4)(A) to a qualified conservation organization as described in Internal Revenue Code Section 170(h)(3); and

(c) No credit is allowed pursuant to this section unless the contribution meets the requirements of Section 170 of the Internal Revenue Code, this section, and Section 12-6-5590. Property used for or associated with the playing of golf, or is planned to be so used or associated, is not eligible for the credits allowed by this section.

(2) Notwithstanding the provisions of Internal Revenue Code Section 170(h) and applicable regulations pertaining to forestry and silviculture practices, a taxpayer is not disqualified for the tax credit allowed in this section because of silvicultural and forestry practices permitted by or undertaken pursuant to a conservation contribution on a real property interest if:

(a) the forestry and silvicultural practices permitted by or undertaken pursuant to the conservation contribution conform to Best Management Practices established by the

South Carolina Forestry Commission existing either at the time the conservation contribution is made, or at the time a particular forestry or silvacultural practice is undertaken;

(b) the conservation contribution on a real property interest in all other respects conforms to the requirements of Internal Revenue Code Section 170(h) and applicable regulations for a “qualified conservation contribution” of a “qualified real property interest”; and

(c) the taxpayer provides the Department of Revenue with the information the department considers necessary to determine that the taxpayer would otherwise be eligible for the deduction allowed under Section 170(h).

The amount of the credit allowable under this item is equal to twenty-five percent of the deduction that would otherwise be allowable under Section 170(h) but for the silvacultural and forestry activities performed on the real property interest, subject to the same conditions and limitations as the credit allowed by this section.

(C)(1) The credit provided for in this section may not exceed two hundred fifty dollars per acre of property to which the qualified conservation contribution or gift of land for conservation applies. For the purpose of calculating the per acre tax credit cap of this subsection, all upland and wetland acreage subject to the qualified conservation contribution shall be taken into account, except for property lying within the intertidal zone. All other wetland acreage subject to the qualified conservation contribution including, but not limited to, ponds, wetland impoundments, hardwood bottomlands, and Carolina Bays shall be taken into account when calculating the two hundred fifty dollar per acre tax credit cap.

(2) Regardless of the amount of the credit allowed by this section, the total credit a taxpayer may use under this section for any particular taxable year may not exceed fifty-two thousand five hundred dollars.

(3) For purposes of applying the per acre limitation and per taxpayer limitation on the credit allowed by this section, the attribution rules of Section 267 of the Internal Revenue Code apply.

(D) The South Carolina Department of Revenue shall report to the Governor, the House Ways and Means Committee, and Senate Finance Committee the activity generated on taxable year 2001 and 2002 state income tax returns by the credit allowed by this item.

**Credit for Water Impoundments and Water Controls  
Year Enacted – 1995**

**Explanation** – A taxpayer is allowed a credit equal to twenty-five (25) percent of all expenditures incurred for the construction, installation, or restoration of certain ponds, lakes, other water impoundment, and water control structures. These structures are designed for purposes of water storage for irrigation, water supply, sediment control erosion control, or aquaculture and wildlife management. The taxpayer must obtain a construction permit issued by the Department of Health and Environmental Control or proof of exemption from permit requirements to qualify for the credit. The maximum credit that may be claimed is \$2,500 and any unused credit can be carried forward for five (5) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>3</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,042,344</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>41</b>
<b>Amount of Credits Claimed –</b>	<b>\$67,000</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>44</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,109,344</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>315</b>
<b>Amount of Credits Claimed –</b>	<b>\$2,440,265</b>

**Primary Code Section**

**SECTION 12-6-3370.** Tax credits for construction, installation or restoration of water impoundments and water control structures.

(A) A taxpayer may claim a credit for twenty-five percent of all expenditures for the construction, installation, or restoration of ponds, lakes, other water impoundments, and water control structures designed for the purposes of water storage for irrigation, water

supply, sediment control, erosion control or aquaculture and wildlife management, providing these items are not located in or adjacent to and filled primarily by coastal waters of the State.

(B) In the case of pass-through entities, the credit is determined at the entity level and is limited to two thousand five hundred dollars. The maximum amount of credit for all taxpayers, including any credit passed through to the taxpayer from a partnership, "S" Corporation, estate, or trust, is also limited to two thousand five hundred dollars.

(C) If the credit exceeds the taxpayer's tax liability for the taxable year, the excess amount may be carried forward for credit against income taxes in the next five succeeding taxable years.

(D) To qualify for the credit the taxpayer must obtain a construction permit issued by the Department of Health and Environmental Control or proof of exemption from permit requirements issued by the department, the Natural Resources Conservation Service, or a local Soil and Water Conservation District.

**Habitat Management Credit**  
**Year Enacted – 1999**

**Explanation** – A taxpayer is allowed an income tax credit equal to fifty (50) percent of the costs incurred for habitat management of construction and maintenance of improvement of real property that are made to land designated as a certified management area for endangered species, or of species in need of management. The credit must be claimed in the year that the costs are incurred and may not exceed fifty (50) percent of the taxpayer’s income tax liability. Any unused credit may be carried forward for ten (10) years.

**Until the Department of Natural Resources promulgates regulations, this credit is not available.**

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>

**N/A: Not Available**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>

**Primary Code Section**

**SECTION 12-6-3520.** Income tax credit for habitat management and construction and maintenance of critical habitat improvements.

(A) There is allowed as a tax credit against the income tax liability of a taxpayer an amount equal to fifty percent of the costs incurred by the taxpayer for habitat management or construction and maintenance of improvements on real property that are made to land as described in Section 50-15-55(A) and which meet the requirements of regulations promulgated by the Department of Natural Resources pursuant to Section 50-15-55(A). For purposes of this section, "costs incurred" means those monies spent or revenue foregone for habitat management or construction and maintenance, but does not include revenue foregone as increases in land values or speculative costs related to development.

(B) All costs must be incurred on land that has been designated as a certified management area for endangered species enumerated in Section 50-15-40 or for nongame and wildlife species determined to be in need management under Section 50-15-30.

(C) The tax credit allowed by this section must be claimed in the year that the costs, as provided in subsection (B), are incurred. This credit taken in one year may not exceed fifty percent of the taxpayer's income tax liability due pursuant to Section 12-6-510 or 12-6-530 for that year. If the amount of the credit exceeds the taxpayer's income tax liability for that taxable year, the taxpayer may carry forward the excess for up to ten years.

(D) If the landowner voluntarily chooses to leave the agreement made concerning the certified areas during any taxable year after taking the tax credit, then the taxpayer's tax liability for the current taxable year must be increased by the full amount of any credit claimed in previous years with respect to the property.

(E)(1) An "S" corporation, limited liability company, or partnership that qualifies for the credit pursuant to this section may pass through the credit earned to each shareholder of the "S" corporation, member of the limited liability company, or partner of the partnership.

(2) The amount of the credit allowed a shareholder, member, or partner pursuant to this section is equal to the shareholder's percentage of stock ownership, the member's interest in the limited liability company, or the partner's interest in the partnership for the taxable year, multiplied by the amount of the credit earned by the entity. Credit earned by an "S" corporation owing corporate level income tax must be used first at the entity level. Only the remaining credit passes through to the shareholders of the "S" corporation.

(3) For purposes of this subsection, "limited liability company" means a limited liability company taxed like a partnership.

**Brownsfields Voluntary Cleanup Credit**  
**Year Enacted – 2002**

**Explanation** – A taxpayer is allowed a corporate income tax credit against corporation income taxes for costs of voluntary cleanup activity by a nonresponsible party under the Brownsfields Voluntary Cleanup Program. There are two components to the credit – a “basic” credit and an “additional” credit. The “basic” credit is equal to fifty (50) percent of the cleanup expenses paid or accrued or cash contributions for site cleanup conducted during the tax year not to exceed \$50,000 in a tax year. Any unused credit, up to \$100,000, may be carried forward for five (5) years. The “additional” credit is equal to ten (10) percent of the total cleanup costs, up to \$50,000, in the final year of the cleanup subject to approval by the South Carolina Department of Environmental Control.

The Brownsfields Voluntary Cleanup Credit has not been used since enactment of the credit.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**Primary Code Section**

**SECTION 12-6-3550.** Voluntary cleanup activity tax credit; eligibility requirements.

(A) A taxpayer is allowed a credit against taxes due under Section 12-6-530 for costs of voluntary cleanup activity by a nonresponsible party pursuant to Article 7, Chapter 56 of Title 44, the Brownfields Voluntary Cleanup Program, in the manner provided in this section.

(B) For expenses paid or accrued by the taxpayer in cleaning up a site under the applicable article, the credit is equal to fifty percent of the expenses of the cleanup or cash contributions to the cleanup but not more than fifty thousand dollars in a taxable year. The credit is available only for site rehabilitation conducted during the taxable year in which the tax credit application is submitted. Any unused credit, up to a total of one hundred thousand dollars, may be carried forward five years. Multiple taxpayers working jointly to clean up a single site are allowed the credit in the same proportion as their contribution to payment of cleanup costs.

(C) The taxpayer is allowed an additional ten percent of the total cleanup costs, not to exceed fifty thousand dollars, in the final year of clean up as evidenced by the Department of Health and Environmental Control issuing a certificate of completion for that site.

(D) To be eligible for the tax credit the applicant must have entered into a nonresponsible party voluntary cleanup contract with the Department of Health and Environmental Control (DHEC) pursuant to Section 44-56-750.

(E) To obtain the tax credit certificate, an applicant must annually file an application for certification, which must be received by DHEC by December thirty-first. The applicant shall provide all pertinent information requested on the tax credit application form including, at a minimum, the name and address of the applicant and the address and tracking identification of the eligible site. Along with the application form, the applicant shall submit the following:

(1) copies of contracts and documentation of contract negotiations, accounts, invoices, sales tickets, or other payment records for purchases, sales, leases, or other transactions involving the actual costs incurred for that taxable year related to site rehabilitation under the voluntary cleanup contract; and

(2) proof that the documentation submitted pursuant to item (1) has been reviewed and verified by an independent certified public accountant who must attest to the accuracy and validity of the costs incurred and paid by conducting an independent review of the data presented by the applicant. A copy of the accountant's report must be submitted to DHEC with the tax credit application.

(F) If upon review of the tax credit application and any supplemental documentation submitted by each applicant, DHEC determines that the applicant has met all requirements for the tax credit, it shall issue a tax credit certificate before April first. The applicant shall pay the administrative costs of this review pursuant to the provisions of Section 44-56-750(D).

(G) DHEC may prescribe the necessary forms required to claim the credit under this section and to provide the administrative guidelines and procedures required to administer this section.

(H) DHEC may revoke or modify any written decision granting eligibility for partial tax credits under this section if it is discovered that the tax credit applicant submitted any false statement, representation, or certification in any application, record, report, plan, or other document filed in an attempt to receive the credit under this section. DHEC shall

immediately notify the Department of Revenue of any revoked or modified orders affecting previously granted tax credits. Additionally, the taxpayer shall notify the Department of Revenue of any change in tax credit claimed.

(I) This section applies for eligible cleanup expenses incurred after 2001.

**Recycling Facility Tax Credits**  
**Year Enacted – 1995**

**Explanation** – A taxpayer that constructs or operates a qualified recycling facility is allowed a thirty (30) percent credit each year for an investment in recycling property. Recycling property is property incorporated into or associated with a qualified recycling facility. The credit may be applied against corporate income tax, corporate license tax, sales and use tax (state or local), or any tax similar to these taxes. Any unused credit may be carried forward indefinitely. A qualified recycling facility is also entitled to a credit equal to the amount of all of its job development benefits collected pursuant to Section 12-10-80. This credit can be applied against corporate income tax, corporate license tax, sales and use tax (state or local), or any tax similar to these taxes. Any unused credit may be carried forward to subsequent taxable years until the credit is exhausted.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>3</b>
<b>Amount of Credits Claimed –</b>	<b>\$7,877,996</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>3</b>
<b>Amount of Credits Claimed –</b>	<b>\$7,877,996</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>5</b>
<b>Amount of Credits Claimed –</b>	<b>\$27,091,888</b>

**Primary Code Section**  
**SECTION 12-6-3460.** Definitions.

(A) As used in this section:

(1) "Investment" means the total cost of acquisition, construction, erection, and installation of all real and personal property, whether owned or leased including, but not limited to, all realty, improvements, leasehold improvements, buildings, machinery, and office equipment, which is at any time incorporated into or associated with a qualified recycling facility.

(2) "Recycling property" means all real and personal property, whether owned or leased including, but not limited to, all realty, improvements, leasehold improvements, buildings, machinery, and office equipment, incorporated into or associated with a qualified recycling facility.

(3) "Qualified recycling facility" means a facility certified as a qualified recycling facility by a duly authorized representative of the department which includes all real and personal property incorporated into or associated with the facility located or to be located within this State that will be used by the taxpayer to manufacture products for sale composed of at least fifty percent postconsumer waste material by weight or by volume. The minimum level of investment for a qualified recycling facility must be at least three hundred million dollars incurred by the end of the fifth calendar year after the year in which the taxpayer begins construction or operation of the facility.

(4) "Postconsumer waste material" means any product generated by a business or consumer which has served its intended end use and which has been separated from the solid waste stream for the purpose of recycling and includes, but is not limited to, scrap metal and iron, and used plastics, paper, glass, and rubber.

(B) A taxpayer who is constructing or operating a qualified recycling facility is allowed a credit in the amount of thirty percent of the taxpayer's investment in recycling property during the taxable year. This credit may be used to reduce any corporate income tax imposed by Section 12-6-530, sales or use tax imposed by the State or any political subdivision of the State, or corporate license fees imposed by Section 12-20-50 or any tax similar to these taxes. Any unused credit for a taxable year may be carried forward to subsequent taxable years until the credit is exhausted. If the recycling facility fails to meet the minimum investment within the time required by subsection (A)(3) of this section, the taxpayer shall increase its tax liability for the current taxable year by an amount equal to the amount of credit which was used to reduce any tax liability in earlier years.

#### **SECTION 12-6-3465.** Recycling facility tax credits.

A taxpayer who is constructing or operating a qualified recycling facility as defined in Section 12-6-3460 is entitled to credits in the amount of all funds collected as permitted in Section 12-10-80, which credits can be used to reduce the taxpayer's corporate income tax imposed by Section 12-6-530, sales or use tax imposed by the State or any political subdivision of the State, corporate license fees imposed by Section 12-20-50 or any tax similar to these taxes. Any unused credits may be carried forward to subsequent taxable years until such credits are exhausted.

**Mercury Switch Disposal Credit**  
**Year Enacted – 2006**

**Explanation** – A vehicle recycler or scrap recycling facility participating in the End-of-Life Solutions (EVLS) Program is allowed a credit against corporate income taxes or corporate license fees equal to \$2.50 for each mercury switch collected and submitted for disposal. “Mercury switch” means mercury-containing capsule that is part of a convenience light switch assembly. Any unused credits may be carried forward indefinitely.

Unless reinstated by the General Assembly, the provisions of the ELVS Program pursuant to Section 44-96-185 and the tax credit pursuant to Section 12-6-3525 terminate on June 30, 2013.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**Primary Code Section**

**SECTION 12-6-3525.** Tax credits for vehicle or scrap recyclers participating in End-of-Life Vehicle Solutions (ELVS) Program.

A vehicle recycler or scrap recycling facility, as defined in Section 44-96-185, participating in the End-of-Life Vehicle Solutions (ELVS) Program, authorized pursuant to Section 44-96-185, is entitled to a credit in the amount of two dollars and fifty cents for each mercury switch collected and submitted for disposal in accordance with the ELVS program. These credits may be used to reduce the taxpayer's corporate income tax liability imposed pursuant to Section 12-6-530 or corporate license fees imposed pursuant to Section 12-20-50. Any unused credits may be carried forward to subsequent taxable years until these credits are exhausted.

**Section F. Energy Conservation and Alternative Energy Credits**

**Solar Energy Credit**

**Year Enacted – 2006**

**Explanation** – A taxpayer is allowed a credit of twenty-five (25) percent of the costs incurred in the purchase and installation of a solar energy system for heating water, space heating, air cooling, or the generation of electricity in or on a facility (or home) owned by the taxpayer in South Carolina. The credit may not exceed \$3,500 for each facility or fifty (50) percent of the taxpayer’s tax liability for the taxable year, whichever is less. Any amounts of credit in excess of \$3,500 may be carried forward for ten (10) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>99</b>
<b>Amount of Credits Claimed –</b>	<b>\$208,930</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>99</b>
<b>Amount of Credits Claimed –</b>	<b>\$208,930</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>232</b>
<b>Amount of Credits Claimed –</b>	<b>\$386,206</b>

**Primary Code Section**

**SECTION 12-6-3587.** Purchase and installation of solar energy system for heating water, space heating, air cooling, or generating electricity.

(A) There is allowed as a tax credit against the income tax liability of a taxpayer imposed by this chapter an amount equal to twenty-five percent of the costs incurred by the taxpayer in the purchase and installation of a solar energy system for heating water,

space heating, air cooling, or the generation of electricity in or on a facility in South Carolina and owned by the taxpayer. The tax credit allowed by this section must not be claimed before the completion of the installation. The amount of the credit in any year may not exceed three thousand five hundred dollars for each facility or fifty percent of the taxpayer's tax liability for that taxable year, whichever is less. If the amount of the credit exceeds three thousand five hundred dollars for each facility, the taxpayer may carry forward the excess for up to ten years.

(B) "System" includes all controls, tanks, pumps, heat exchangers, and other equipment used directly and exclusively for the solar energy system. The term "system" does not include any land or structural elements of the building such as walls and roofs or other equipment ordinarily contained in the structure. No credit shall be allowed for a solar system unless the system is certified for performance by the nonprofit Solar Rating and Certification Corporation or a comparable entity endorsed by the State Energy Office.

**Alternative Motor Vehicle Credit  
Year Enacted – 2006**

**Explanation** – A taxpayer is allowed an income tax credit equal to twenty (20) percent of the federal credit allowed under Internal Revenue Code Section 30B. The federal credit pursuant to Internal Revenue Section 30B provides an alternative motor vehicle credit equaling the total of the:

1. qualified fuel cell motor vehicle credit,
2. advanced lean burn technology motor vehicle credit,
3. qualified hybrid motor vehicle credit, and
4. qualified alternative fuel motor vehicle credit.

Any unused credit may be carried forward for five (5) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	194
Amount of Credits Claimed –	\$113,265
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	194
Amount of Credits Claimed –	\$113,265

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	982
Amount of Credits Claimed –	\$497,378

**Primary Code Section**

**SECTION 12-6-3377.** Hybrid, fuel cell, alternative fuel or lean burn motor vehicle tax credit.

(A) A South Carolina resident taxpayer who is eligible for and claims the new qualified fuel cell motor vehicle credit, the new advanced lean burn technology motor vehicle credit, the new qualified hybrid motor vehicle credit based on the combined city/highway metric or standard set by federal Internal Revenue Code Section 30B, and the new qualified alternative fuel motor vehicle credit allowed pursuant to Internal Revenue Code Section 30B is allowed a credit against the income taxes imposed pursuant to this chapter in an amount equal to twenty percent of that federal income tax credit. The credit allowed by this section is nonrefundable and if the amount of the credit exceeds the taxpayer's liability for the applicable taxable year, any unused credit may be carried forward and claimed in the five succeeding taxable years.

(B) The credit amount allowed by this section must be calculated without regard to the phaseout period limits of Internal Revenue Code Section 30B(f) and for purposes of the credits allowed pursuant to this section, the provisions of Internal Revenue Code Section 30B are deemed permanent law.

**Plug-in Hybrid Vehicle Credit**  
**Year Enacted – 2006**

**Explanation** – A taxpayer is allowed a \$2,000 income tax credit for purchasing or leasing a plug-in hybrid vehicle in South Carolina. Any unused credit may be carried forward five (5) years. The credit is capped at \$200,000 per fiscal year for all eligible taxpayers. If the cap is exceeded, the credit will be allocated proportionately among all taxpayers.

This credit is only available for tax years beginning after 2007 and before 2011.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	10
Amount of Credits Claimed –	\$18,910
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	10
Amount of Credits Claimed –	\$18,910

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	10
Amount of Credits Claimed –	\$18,910

**Primary Code Section**

**SECTION 12-6-3376.** Income tax credit for plug-in hybrid vehicle.

(A) For taxable years beginning after 2007, and before 2011, a taxpayer is allowed a tax credit against the income tax imposed pursuant to this chapter for the in-state purchase or lease of a plug-in hybrid vehicle. A plug-in hybrid vehicle is a vehicle that shares the same benefits as an internal combustion and electric engine with an all-electric range of no less than nine miles. The credit is equal to two thousand dollars. The credit allowed by

this section is nonrefundable and if the amount of the credit exceeds the taxpayer's liability for the applicable taxable year, any unused credit may be carried forward for five years.

(B) Notwithstanding the credit amount allowed pursuant to this section, for a fiscal year all claims made pursuant to this section must not exceed two hundred thousand dollars and must apply proportionately to all eligible claimants.

**Ethanol or Biodiesel Production Credits**  
**Year Enacted – 2006**

**Explanation** – A taxpayer is allowed several income tax credits for a facility that produces ethanol or biodiesel at a plant in South Carolina at which all fermentation, distillation, and dehydration takes place. The available credits are as follows:

1. Credit for Production – A taxpayer is allowed a tax credit of twenty (20) cents per gallon of corn based ethanol or soy based biodiesel. Also, a taxpayer is allowed a tax credit of thirty (30) cents per gallon of non-corn based ethanol or non-soy based biodiesel produced at an ethanol or biodiesel facility placed in use after 2006. The credit is allowed for sixty (60) months, beginning with the first month the facility is eligible to receive the credit and ending not later than December 31, 2014.
2. Credit for Qualified New Production Beginning January 1, 2014 – A taxpayer is allowed a tax credit of seven and one-half (7.5) cents per gallon of ethanol or biodiesel for “new production” by an ethanol or biodiesel facility beginning January 1, 2014. The credit is allowed for a period not to exceed thirty-six (36) months, and may not be claimed for more than 10,000,000 gallons of ethanol or biodiesel produced during a twelve (12) consecutive month period at an ethanol or biodiesel facility.

These credits are capped for all taxpayers at \$800,000 each fiscal year. If the cap is exceeded the credit must be allocated proportionately among all taxpayers.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>13</b>
<b>Amount of Credits Claimed –</b>	<b>\$435,743</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>13</b>
<b>Amount of Credits Claimed –</b>	<b>\$435,743</b>

**N/R: Not Reported**

## Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)

<b>Taxfilers Claiming Credits – 20</b>
<b>Amount of Credits Claimed – \$442,132</b>

### Primary Code Section

**SECTION 12-6-3600.** Credit for ethanol and biodiesel facilities.

(A) For taxable years beginning after 2006, and before 2014, there is allowed a credit against the tax imposed pursuant to this chapter for any corn-based ethanol or soy-based biodiesel facility which is in production at the rate of at least twenty-five percent of its name plate design capacity for the production of corn-based ethanol or soy-based biodiesel, before denaturing, on or before December 31, 2009. The credit equals twenty cents a gallon of corn-based ethanol or soy-based biodiesel produced and is allowed for sixty months beginning with the first month for which the facility is eligible to receive the credit and ending not later than December 31, 2014. The credit only may be claimed if the corn-based ethanol or soy-based biodiesel facility maintains an average production rate of at least twenty-five percent of its name plate design capacity for at least six months after the first month for which it is eligible to receive the credit.

(B) For taxable years beginning after 2006, and before 2014, there is allowed a credit against the tax imposed pursuant to this chapter for an ethanol facility using a feedstock other than corn or a biodiesel facility using a feedstock other than soy oil which is in production at the minimum rates provided pursuant to this subsection of its name plate design capacity for the production of ethanol or biodiesel, before denaturing, on or before December 31, 2009. The credit equals thirty cents a gallon of noncorn ethanol or nonsoy oil biodiesel produced and is allowed for sixty months beginning with the first month for which the facility is eligible to receive the credit and ending no later than December 31, 2014. The credit is continued only if the ethanol or biodiesel facility maintains the average minimum production rates provided pursuant to this subsection of its name plate design capacity for at least six months after the first month for which it is eligible to receive the credit.

(C) As used in this section:

(1) “Ethanol facility” means 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.

(2) “Biodiesel facility” means a plant or facility primarily engaged in the production of plant- or animal-based fuels used as a substitute for diesel fuel.

(3) “Name plate design capacity” means 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.

(D)(1) Pursuant to this chapter, beginning January 1, 2014, an ethanol or biodiesel facility must receive a credit against the tax imposed in the amount of seven and one-half cents a

gallon of ethanol or biodiesel, before denaturing, for new production for a period not to exceed thirty-six consecutive months.

(2) For purposes of this subsection, “new production” means production which results from a new facility, a facility which has not received credits before 2014, or the expansion of the capacity of an existing facility by at least two million gallons first placed into service after 2014, as certified by the design engineer of the facility to the Department of Revenue.

(3) For expansion of the capacity of an existing facility, “new production” means annual production in excess of twelve times the monthly average of the highest three months of ethanol or biodiesel production at an ethanol or biodiesel facility during the twenty-four-month period immediately preceding certification of the facility by the design engineer.

(4) Credits are not allowed pursuant to this subsection for expansion of the capacity of an existing facility until production is in excess of twelve times the three-month average amount determined pursuant to this subsection during any twelve-consecutive month period beginning no sooner than January 1, 2014.

(5) The amount of a credit granted pursuant to this section based on new production must be approved by the Department of Revenue based on the ethanol or biodiesel production records as may be necessary to reasonably determine the level of new production.

(E)(1) The credits described in this section are allowed only for ethanol or biodiesel produced at a plant in this State at which all fermentation, distillation, and dehydration takes place. Credit is not allowed for ethanol or biodiesel produced or sold for use in the production of distilled spirits.

(2) Not more than twenty-five million gallons of ethanol or biodiesel produced annually at an ethanol or biodiesel facility is eligible for the credits in subsections (A) and (C) of this section, and the credits only may be claimed by a producer for the periods specified in subsections (A) and (C) of this section.

(3) Not more than ten million gallons of ethanol or biodiesel produced during a twelve-consecutive month period at an ethanol or biodiesel facility is eligible for the credit described in subsection (D) of this section, and the credit only may be claimed by a producer for the periods specified in subsection (D) of this section.

(4) Not more than one hundred twenty-five million gallons of ethanol or biodiesel produced at an ethanol or biodiesel facility by the end of the sixty-month period set forth in subsection (A) or (C) of this section is eligible for the credit under the subsection. An ethanol or biodiesel facility which receives a credit for ethanol or biodiesel produced under subsection (A) or (C) of this section may not receive a credit pursuant to subsection (D) of this section until its eligibility to receive a credit under subsection (A) or (C) of this section has been completed.

(F) The Department of Revenue shall prescribe an application form and procedures for claiming credits under this section.

(G) For purposes of ascertaining the correctness of any application for claiming a credit allowed pursuant to this section, the Department of Revenue may examine or cause to have examined, by any agent or representative designated for that purpose, any books, papers, records, or memoranda bearing upon these matters.

(H) Notwithstanding the credit amount allowed by this section, for a fiscal year all claims made pursuant to this section must not exceed eight hundred thousand dollars and must apply proportionately to all eligible claimants.

**Ethanol or Biodiesel Research and Development Credit**  
**Year Enacted – 2007**

**Explanation** – A taxpayer is allowed an income tax credit equal to twenty-five (25) percent of the taxpayer’s “qualified expenditures for research and development.” This includes expenditures to develop feedstocks and processes for cellulosic ethanol and for algae-derived biodiesel. The amount of the credit must be invested by the taxpayer in demonstration projects or research and development. A taxpayer’s total credit in all years may not exceed \$100,000 and any unused credit can be carried forward for five (5) years. The credit amount is capped for all taxpayers at \$100,000 each fiscal year. If the cap is exceeded the credit must be allocated proportionately among all taxpayers.

This credit is only available for tax years beginning after 2007 and before 2012.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>

**N/A: Not Available**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/A</b>
<b>Amount of Credits Claimed –</b>	<b>N/A</b>

**Primary Code Section**

**SECTION 12-6-3631.** Biodiesel expenditures tax credit.

(A) For taxable years beginning after 2007, and before 2012, a taxpayer is allowed a credit against the income tax imposed pursuant to this chapter for qualified expenditures for research and development.

(B) For purposes of this section:

(1) “Qualified expenditures for research and development” include expenditures to develop feedstocks and processes for cellulosic ethanol and for algae-derived biodiesel.

(2) “Cellulosic ethanol” means fuel from ligno-cellulosic materials, including wood chips, corn stover, and switchgrass.

(C) The credit is equal to twenty-five percent of qualified expenditures for research and development. A taxpayer’s total credit in all years, for all expenditures allowed pursuant to this section, must not exceed one hundred thousand dollars. Unused credits may be carried forward for five years after the tax year in which a qualified expenditure was made. The credit is nonrefundable.

(D) The amount of the credit provided by this section to a taxpayer must be invested by the taxpayer in demonstration projects on or research and development of:

(1) enzymes and catalysts;

(2) best and most cost efficient feedstocks for South Carolina; and

(3) product development.

(E) Expenditures qualifying for a tax credit allowed by this section and investments made by a taxpayer pursuant to subsection (D) must be certified by the State Energy Office, in consultation with the Department of Agriculture and the South Carolina Institute for Energy Studies.

(F) Notwithstanding the credit amount allowed pursuant to this section, for a fiscal year all claims made pursuant to this section must not exceed one hundred thousand dollars and must apply proportionately to all eligible claimants.

**Biomass Resources Credit**  
**Year Enacted – 2006**

**Explanation** – A taxpayer is allowed a credit against corporation income tax or corporate license tax, or both, for twenty-five (25) percent of the costs incurred by the corporation for the purchase and installation of equipment used to create power, heat, steam, electricity, or another form of energy for commercial use from a fuel consisting of ninety (90) percent or more biomass resource. Biomass is defined as wood, wood waste, agricultural waste, or animal waste, sewage, landfill gas, and other organic materials. The credit is capped at \$650,000 for all taxpayers for the fiscal year. If the cap is exceeded, the credit will be allocated proportionately. Any unused credit may be carried forward fifteen (15) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>

**Primary Code Section**

**SECTION 12-6-3620.** Purchase and installation of equipment to produce energy from biomass resources.

[For taxable year 2007, this section reads as follows:]

(A) For taxable years beginning after 2006, there is allowed a tax credit against the tax imposed pursuant to Section 12-6-530 for twenty-five percent of the costs incurred by a taxpayer for use of methane gas taken from a landfill to provide energy for a manufacturing facility.

(B) The tax credit allowed by this section may not exceed fifty percent of the liability of the taxpayer for the tax imposed pursuant to Section 12-6-530. Unused credits may be carried forward for ten years.

(C) For purposes of this section, manufacturing facility is as defined in Section 12-6-3360(M)(5).

[For taxable years beginning after 2007, this section reads as follows:]

(A) For taxable years beginning after 2007, there is allowed a credit against the income tax imposed pursuant to Section 12-6-530 or license fees imposed pursuant to Section 12-20-50, or both, for twenty-five percent of the costs incurred by a taxpayer for the purchase and installation of equipment used to create heat, power, steam, electricity, or another form of energy for commercial use from a fuel consisting of no less than ninety percent biomass resource. Costs incurred by a taxpayer and qualifying for the credit allowed by this section must be certified by the State Energy Office, in consultation with the Department of Agriculture and the South Carolina Institute for Energy Studies.

(B) A taxpayer's credit utilization in any one year, for all expenditures allowed pursuant to this section, must not exceed six hundred fifty thousand dollars. The tax credit allowed by this section may not exceed the liability of the taxpayer for the taxes imposed pursuant to Sections 12-6-530 and 12-20-50. Unused credits may be carried forward for fifteen years.

(C) For purposes of this section:

(1) "Biomass resource" means wood, wood waste, agricultural waste, animal waste, sewage, landfill gas, and other organic materials.

(2) "Commercial use" means a use intended for the purpose of generating a profit.

(3) If the facility ceases to use biomass resources as its primary fuel source before the entire credit has been utilized, it is ineligible to utilize any remaining credit until it resumes using biomass resources as its primary fuel source (at least ninety percent). The fifteen-year carry forward period must not be extended due to periods of noncompliance.

(D) Notwithstanding the credit amount allowed pursuant to this section, for a fiscal year all claims made pursuant to this section must not exceed six hundred fifty thousand dollars and must apply proportionately to all eligible claimants.

**Credit for Renewable Fuels**  
**Year Enacted – 2006**

**Explanation** – A taxpayer is allowed a tax credit for placing in service property that is used for distributing or dispensing renewable fuels, or constructing a commercial facility that produces renewable fuels. “Renewable fuel” is defined as liquid nonpetroleum based fuels that can be placed in motor vehicle fuel tanks and used as a fuel in highway vehicles, and includes biodiesel and ethanol fuel. The credits are as follows:

1. **Credit for Distribution of Dispensing Facility** – A taxpayer is allowed a twenty-five (25) percent tax credit equal to the cost of purchasing, constructing, and installing property that is placed in service at a new or existing commercial fuel distribution or dispensing facility in South Carolina that is used for distributing or dispensing renewable fuel. Eligible property includes pumps, storage tanks, and related equipment. The credit must be taken in three (3) equal annual installments beginning with the taxable year the property is placed in service. “Renewable fuel” is defined as E70 or greater fuel dispensed at the retail level.
2. **Credit for Processing Facility** – A taxpayer is allowed an income tax credit equal to twenty-five (25) percent of the cost of constructing or renovating a commercial building and equipping the facility for the production of renewable fuels. A taxpayer’s total credit cannot exceed \$1,000,000 and must be taken in seven (7) equal annual installments beginning with the taxable year in which the facility is placed in service.

The total credits are capped for all taxpayers at \$150,000 each fiscal year. If the cap is exceeded the credit must be allocated proportionately among all taxpayers. Any unused credits may be carried forward for ten (10) tax years.

The credit for renewable fuels is repealed effective for facilities placed in service after 2011.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

**Corporate Income Tax**

**Taxfilers Claiming Credits – N/R**

**Amount of Credits Claimed – N/R**

**Individual Income Tax**

**Taxfilers Claiming Credits – 1**

**Amount of Credits Claimed – \$200**

**Total Credits Claimed**  
**Taxfilers Claiming Credits – 1**  
**Amount of Credits Claimed – \$200**

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

**Taxfilers Claiming Credits – 1**  
**Amount of Credits Claimed – \$200**

**Primary Code Section**

**SECTION 12-6-3610.** Credit for property used for distribution or dispensing renewable fuel.

(A) As used in this section, “renewable fuel” means liquid nonpetroleum based fuels that can be placed in motor vehicle fuel tanks and used as a fuel in a highway vehicle. It includes all forms of fuel commonly or commercially known or sold as biodiesel and ethanol.

(B)(1) A taxpayer that purchases or constructs and installs and places in service in this State property that is used for distribution or dispensing renewable fuel specified in this subsection, at a new or existing commercial fuel distribution or dispensing facility is allowed a credit equal to twenty-five percent of the cost to the taxpayer of purchasing, constructing, and installing the property against the taxpayer’s liability for a tax imposed pursuant to this chapter. Eligible property includes pumps, storage tanks, and related equipment that is directly and exclusively used for distribution, dispensing, or storing renewable fuel. A taxpayer is qualified for a tax credit provided pursuant to this subsection if the equipment used to store, distribute, or dispense renewable fuel is labeled for this purpose and clearly identified as associated with renewable fuel. The entire credit may not be taken for the taxable year in which the property is placed in service but must be taken in three equal annual installments beginning with the taxable year in which the property is placed in service. If, in one of the years in which the installment of a credit accrues, property directly and exclusively used for distributing, dispensing, or storing renewable fuel is disposed of or taken out of service and is not replaced, so that the facility no longer distributes, dispenses, or stores renewable fuel, the credit expires and the taxpayer may not take any remaining installment of the credit. The unused portion of an unexpired credit may be carried forward for not more than ten succeeding taxable years.

(2) For purposes of this subsection, “renewable fuel” means E70 or greater ethanol fuel dispensed at the retail level for use in motor vehicles and pure ethanol or biodiesel fuel dispensed by a distributor or facility that blends these nonpetroleum liquids with gasoline fuel or diesel fuel for use in motor vehicles.

(C) A taxpayer that constructs and places in service in this State a commercial facility for the production of renewable fuel is allowed a credit equal to twenty-five percent of the cost to the taxpayer of constructing or renovating a building and equipping the facility for the purpose of producing renewable fuel. Production of renewable fuel includes intermediate steps such as milling, crushing, and handling of feedstock and the distillation and manufacturing of the final product. The entire credit may not be taken for the taxable year in which the facility is placed in service but must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. If, in one of the years in which the installment of a credit accrues, the facility with respect to which the credit was claimed is disposed of or taken out of service, the credit expires and the taxpayer may not take any remaining installment of the credit. A taxpayer's total credit in all years, for all expenditures allowed pursuant to this subsection, must not exceed one million dollars. The unused portion of an unexpired credit may be carried forward for not more than ten succeeding taxable years.

(D) A taxpayer that claims any other credit allowed under this article with respect to the costs of constructing and installing a facility may not take the credit allowed in this section with respect to the same costs.

(E) Notwithstanding the credit amounts allowed pursuant to this section, for a fiscal year all claims made pursuant to this section must not exceed one hundred fifty thousand dollars and must apply proportionately to all eligible claimants.

**Credit for Energy Conservation and Renewable Energy  
Year Enacted – 1995**

**Explanation** – A taxpayer is allowed a credit equal to twenty-five (25) percent of all expenditures incurred during the taxable year for the purchase and installation of the following energy conservation and renewable energy production measures:

1. Conservation tillage equipment,
2. Drip/trickle irrigation systems including all necessary measures and equipment,  
and
3. Dual purpose combination truck and crane equipment.

A taxpayer may claim the credit only one time for each of three measures in a lifetime. The maximum credit that may be claimed is \$2,500 and any unused credit can be carried forward for five (5) years.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>1</b>
<b>Amount of Credits Claimed –</b>	<b>\$97,500</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>116</b>
<b>Amount of Credits Claimed –</b>	<b>\$105,986</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>117</b>
<b>Amount of Credits Claimed –</b>	<b>\$203,486</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>711</b>
<b>Amount of Credits Claimed –</b>	<b>\$2,947,261</b>

**Primary Code Section**

**SECTION 12-6-3340.** Investment tax credit for purchase and installation of certain energy conservation and renewable energy production measures.

(A) A taxpayer may claim as a credit twenty-five percent of all expenditures paid or incurred during the taxable year for the purchase and installation of the following energy conservation and renewable energy production measures:

(1) conservation tillage equipment;

(2) drip/trickle irrigation systems to include all necessary measures and equipment including, but not limited to, dams, pipes, pumps, wells, installation charges and other related expenses; and

(3) dual purpose combination truck and crane equipment.

(B) In the case of pass-through entities, the credit is determined at the entity level and is limited to two thousand five hundred dollars. The maximum amount of credit for all taxpayers, including any credit passed through to the taxpayer from a partnership, "S" Corporation, estate, or trust, is also limited to two thousand five hundred dollars.

(C) The credit may be claimed only one time for each of the three measures.

(D) If the credit exceeds the taxpayer's tax liability for the taxable year, the excess amount may be carried forward for credit against income taxes in the next five succeeding taxable years.

**Section G. Investments / Contributions to Other Entities Incentives**

**Community Development Corporation Investment Credit  
Year Enacted – 2000**

**Explanation** – A taxpayer is allowed a tax credit against South Carolina income tax, bank tax, or insurance premium tax equal to thirty-three (33) percent of the investment in a community development corporation or community development financial institution. A community development corporation is a nonprofit corporation which is tax exempt and has a primary mission of developing and improving low-income communities and neighborhoods through economic and related development. A community development financial institution is an organization that has a primary mission of promoting community development by providing credit, capital, or development services to small businesses or home mortgage assistance to individuals. The total credit that may be claimed by all taxpayers is \$1,000,000 in one calendar year and \$5,000,000 for all calendar years. Any unused credit may be carried forward and must be used before the taxable year that begins on or after ten (10) years from the date of the acquisition of stock or other equity interest that is the basis for the credit.

The provisions of this credit terminate on June 30, 2010.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>N/R</b>
<b>Amount of Credits Claimed –</b>	<b>N/R</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>37</b>
<b>Amount of Credits Claimed –</b>	<b>\$111,598</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>37</b>
<b>Amount of Credits Claimed –</b>	<b>\$111,598</b>

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>133</b>
<b>Amount of Credits Claimed –</b>	<b>\$190,306</b>

### **Primary Code Section**

**SECTION 12-6-3530.** 143)[Repealed effective July 1, 2010.] Community development tax credits.

(A) A taxpayer may claim as a credit against his state income tax, bank tax, or premium tax liability thirty-three percent of all amounts invested in a community development corporation or in a community development financial institution, as defined in Section 34-43-20(2) or (3).

To qualify for this credit the taxpayer must obtain a certificate from the South Carolina Department of Commerce certifying that the entity into which the funds are invested is a community development corporation or a community development financial institution within the meaning of Section 34-43-20(2) or (3) and certifying that the credit taken or available to that taxpayer will not exceed the aggregate five million dollar limitation of all those credits as provided in subsection (B) when added to the credits previously taken or available to other taxpayers making similar investments. A taxpayer who invested in good faith in a certified corporation or institution may claim the credit provided in this section, notwithstanding the fact that the certification is later revoked or not renewed by the department.

(B) The total amount of credits allowed pursuant to this section may not exceed in the aggregate five million dollars for all taxpayers and all calendar years and one million dollars for all taxpayers in one calendar year.

(C) A single community development corporation or community development financial institution may not receive more than twenty-five percent of the total tax credits authorized pursuant to this section in any one calendar year.

(D) The department shall monitor the investments made by taxpayers in community development corporations and community development financial institutions as permitted by this section and shall perform the functions as provided in subsection (A) above.

(E) If the amount of the credit determined, pursuant to subsection (A), exceeds the taxpayer's state tax liability for the applicable taxable year, the taxpayer may carry over the excess to the immediately succeeding taxable years. However, the credit carry-over may not be used for a taxable year that begins on or after ten years from the date of the acquisition of stock or other equity interest that is the basis for a credit pursuant to this section. The amount of the credit carry-over from a taxable year must be reduced to the extent that the carry-over is used by the taxpayer to obtain a credit provided for in this section for a later taxable year.

(F) Notwithstanding the provisions of subsections (A), (B), (C), (D), and (E) above, if on April 1, 2001, or as soon after that as the department is able to determine, the total amount of tax credits which may be claimed by all taxpayers exceeds the total amount of tax credits authorized by this section, the credits must be determined on a pro rata basis. For purposes of this subsection, a community development corporation or community development financial institution for which an investment may be claimed as a tax credit pursuant to this section must report all investments made before April 1, 2001, to the department by April 1, 2001, which shall inform, as soon as reasonably possible, all

community development corporations and community development financial institutions of the total of all investments in all institutions and corporations as of April 1, 2001.

(G) If stock or another equity interest that is the basis for a credit provided for in this section is redeemed by the community development corporation or the community development financial institution within five years of the date it is acquired, the credit provided by this section for the stock or other equity interest is disallowed, and credit previously claimed and allowed with respect to the redeemed stock or other equity interest must be paid to the Department of Revenue with the appropriate return of the taxpayer covering the period in which the redemption occurred. When payments are made to the Department of Revenue pursuant to this section, the amount collected must be handled as if no credit had been allowed.

(H) To receive the credit provided by this section, a taxpayer shall:

(1) claim the credit on his annual state income or premium tax return as prescribed by the Department of Revenue; and

(2) file with the Department of Revenue and with his annual state income or premium tax return a copy of the form issued by the department as to the stock or other equity interest that is the basis for a credit claimed pursuant to this section, by the taxpayer, including an undertaking by the taxpayer to report to the Department of Revenue a redemption of the stock or other equity interest by the community development corporation or the community development financial institution.

(I) The department shall complete forms prescribed by the Department of Revenue which must show as to each stock or other equity interest in a community development corporation or a community development financial institution that is the basis for a credit pursuant to this section:

(1) the name, address, and identification number of the taxpayer who acquired the stock or other equity interest; and

(2) the nature of the stock or other equity interest acquired by the taxpayer and the amount advanced for it.

These forms must be filed with the Department of Revenue on or before the fifteenth day of the third month following the month in which the stock or other equity interest is acquired. Copies of the forms to be provided to the Department of Revenue must be mailed to the taxpayer on or before the fifteenth day of the second month following the month in which the acquisition is made.

(J) A taxpayer may not claim the tax credit provided in this section unless the community development corporation or community development financial institution in which the investment is made has been certified at the time the investment is made.

(K) If the community development financial institution in which the investment is made is a tax-exempt nonprofit corporation, the tax credit provided in this section is not allowed if the taxpayer claims the investment as a deduction pursuant to Section 170 of the Internal Revenue Code.

(L) Banks and financial institutions chartered by the State of South Carolina may invest in community development corporations and community development financial institutions incorporated pursuant to the laws of this State, up to a maximum of ten percent of a chartered bank or financial institution's total capital and surplus.

**Venture Capital Investment  
Year Enacted – 2004**

**Explanation** – The South Carolina Venture Capital Authority within the South Carolina Department of Commerce issues tax credit certificates to each “lender” of venture capital funds to South Carolina businesses at the time a loan is made to a “designated investor group.” The Venture Capital Authority chooses the designated investor groups that will have the authority to borrow from lenders. The lenders may be a bank, an insurance company, a captive insurance company, a utility, or a financial institution with proven experience in state based venture capital transactions. The credit certificates shall state the amounts, year, and conditions for redemption and describe the procedures for redemption and transfer of the tax credit certificates. Once redeemable, the tax credit may be used to offset income taxes, bank taxes, savings and loan net income tax liability, corporate licenses and fees, and insurance premium taxes. The credits carry forward indefinitely and may be transferred to others who are able to use the credit to offset one of the above listed taxes. No more than \$20,000,000 in tax credit certificates is redeemable for any one year.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0

**N/R: Not Reported**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	6
Amount of Credits Claimed –	\$20,645

## **Primary Code Section**

### **SECTION 11-45-30. Definitions.**

For purposes of this chapter:

- (1) “Authority” means the South Carolina Venture Capital Authority created pursuant to this chapter.
- (2) “Certificate” means a document executed by the authority pursuant to which a tax credit is available to a person pursuant to this chapter.
- (3) “Equity, near-equity, or seed capital” means capital invested in common or preferred stock, debt with equity conversion rights, royalty rights, limited partnership interests, limited liability company interests, and any other securities or rights that evidence ownership in private business.
- (4) “Investor” means any corporation, limited liability company, community development corporation, or unincorporated business entity, including a general or limited partnership, that is selected by a designated investor group to receive investments from the designated investor group and then make venture capital investments with these funds that meet the requirements of this chapter. An investor, a senior member of its management team, or a qualified investment professional working closely with the investor’s senior management team must be a legal resident of this State and have a minimum of five years experience in venture capital investing. In addition, substantially all of an investor’s business activity must be venture capital investing.
- (5) “Innovation fund” means the South Carolina Technology Innovation Fund.
- (6) “Person” means any individual, corporation, partnership, or other lawfully organized entity.
- (7) “Research and development” means laboratory, scientific, or experimental testing and development related to new products, new uses for existing products, or improvements to existing products. Research and development also includes intellectual property, information technology, or technology transfer endeavors. The term does not include efficiency surveys, management studies, consumer surveys, economic surveys, advertising, or promotion, or research in connection with literary, historical, or similar projects.
- (8) “Tax credit” means a credit against a person’s income tax liability pursuant to Chapter 6, Title 12; bank tax liability pursuant to Chapter 11, Title 12; net income tax liability pursuant to Chapter 13, Title 12; liability for license fees and taxes pursuant to Chapters 20 and 23 of Title 12; or insurance premium tax liability pursuant to Chapter 7, Title 38; or other tax liability under Title 38, as the case may be, or in the case of a repeal or reduction by the State of the tax liability imposed by these sections, any other tax imposed upon the person by this State.
- (9) “Venture capital” means equity, near-equity, and seed capital financing including, without limitation, early stage research and development capital for startup enterprises, and other equity, near-equity, or seed capital for growth and expansion of entrepreneurial enterprises.
- (10) “Lender” means a banking institution subject to the income tax on banks under Chapter 11 of Title 12, an insurance company subject to a state premium tax liability pursuant to Chapter 7 of Title 38, a captive insurance company regulated pursuant to Chapter 90 of Title 38, a utility regulated pursuant to Title 58, or a financial institution

with proven experience in state-based venture capital transactions, pursuant to guidelines established by the authority. Both the guidelines and the lender must be approved by the State Budget and Control Board.

(11) "Capital commitment" means the amount of money committed by a designated investor group to an investor for a term of up to ten years, which term may be extended to provide for an orderly liquidation of the investor's portfolio investments.

(12) "Community development corporation" is as defined in Section 34-43-20(2).

(13) "Revolving fund" means a bank account:

(a) created by a designated investor group with a financial institution with an office or branch in this State; and

(b) used solely as provided in this chapter or any applicable designated investor contract.

(14) "Designated investor contract" means an agreement entered into between the authority and any person selected as a designated investor group pursuant to Section 11-45-50.

(15) "Designated investor group" means a person who enters into a designated investor contract with the authority pursuant to Section 11-45-50.

(16) "Interest" means interest on the outstanding balance owed or owing to a lender by a designated investor group under such calculations, terms, or conditions as determined by the authority, provided that the method of calculating interest may be included in the tax credit certificates to the extent that the authority considers the information necessary or appropriate.

#### **SECTION 11-45-55.** Tax credit certificates.

(A) Each designated investor group shall have the power and authority to borrow funds from lenders and invest those funds in accordance with the provisions of this chapter and its designated investor contract.

(B) The authority shall issue tax credit certificates to each lender contemporaneously with each loan made pursuant to this chapter in accordance with any guidelines established by the authority pursuant to Section 11-45-100. The tax credit certificates must describe procedures for the issuance, transfer and redemption of the certificates, and related tax credits. These certificates also must describe the amounts, year, and conditions for redemption of the tax credits reflected on the certificates. Once a loan is made by a lender, the certificate issued to the lender shall be binding on the authority and this State and may not be modified, terminated, or rescinded. The form of the tax credit certificate must be approved by the State Budget and Control Board.

(C) Tax credits represented by the certificates issued pursuant to this section may be used to offset any of the tax liabilities of a person as set forth in Section 11-45-30(8), subject to compliance with the conditions set forth on the certificates representing the tax credits. The amount of the tax credits issued to any lender shall be limited to an amount equal to the lender's principal loan amount together with required interest. These tax credits may be carried forward without limitation but are not refundable. These tax credits are hereby established and authorized in the amounts required by this section.

(D) Use of tax credits by an insurance company shall not affect the application of retaliatory taxes or other fees pursuant to Chapter 7, Title 38 or any payments due under that chapter.

(E) The tax credits may also be transferred by any lender or transferee of the tax credits to a person able to utilize the tax credits as set forth in Section 11-45-30(8).

(F) An individual may claim the tax credit of a partnership, limited liability company, "S" corporation, estate, or trust electing to have the income taxed directly to the individual. The amount claimed by the individual shall be based upon the pro rata share of the individual's earnings from the partnership, limited liability company, "S" corporation, estate, or trust.

(G) The authority shall ensure that the principal amount authorized to be borrowed by all designated investor groups is no more than fifty million dollars at any one time and no more than twenty million dollars in tax credit certificates are redeemable for any one year. Any tax credit certificates issued in one year but carried forward and redeemed in a subsequent year do not count against the twenty million dollar limitation on the total amount of tax credit certificates which may be redeemed in that subsequent year.

(H) No certificate or tax credit issued or transferred pursuant to this chapter shall be considered a security pursuant to Title 35.

(I)(1) The authority, in conjunction with the South Carolina Department of Revenue, shall develop a system for registration of all tax credits claimed under this chapter.

(2) The system shall verify that any:

(a) tax credit claimed upon a tax return is valid and properly taken in the year of claim; and

(b) transfer of the tax credit is made in accordance with the requirements of this chapter and any guidelines or regulations under this chapter.

(3) Notwithstanding Section 12-54-240(A), the authority, the Department of Commerce, the Department of Revenue, and the Department of Insurance may exchange information for the purpose of registering and verifying the existence, possession, transfer, and use of tax credits pursuant to this chapter.

(J) No part of the fund held by the authority pursuant to Section 11-45-40(C) or the capital in any revolving fund of a designated investor group may inure to the benefit of or be distributed to the authority's employees, officers, or board of directors, or to members of their immediate families as this term is defined in Section 2-17-10(7), except that the authority is authorized to pay reasonable compensation for services provided by employees of the authority or the Department of Commerce, as the case may be, and out-of-pocket expenses incurred by these employees, officers, or board members, as long as the compensation does not create a conflict of interest pursuant to Section 11-45-40. The provisions of this subsection are supplemental to and not in lieu of the provisions of Chapter 17, Title 2 and Chapter 13, Title 8.

**Palmetto Seed Capital Credit**  
**Year Enacted – 1995**

**Explanation** – A taxpayer is allowed a credit for qualified investments in the Palmetto Seed Capital Corporation of the Palmetto Seed Capital Fund Limited Partnership against corporate income, individual income, bank taxes, or insurance premium taxes. The credit is equal to the lesser of:

1. all qualified investments during the tax year multiplied by thirty (30) percent, or
2. fifty (50) percent of all qualified investments during all tax years multiplied by thirty (30) percent.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>0</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>1</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>1</b>
<b>Amount of Credits Claimed –</b>	<b>\$0</b>

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>20</b>
<b>Amount of Credits Claimed –</b>	<b>\$298,304</b>

**Primary Code Section**

**SECTION 12-6-3430.** Tax credit for qualified investments in Palmetto Seed Capital Corporation or Palmetto Seed Capital Fund Limited Partnership.

(A) Taxpayers who make qualified investments in the Palmetto Seed Capital Corporation (corporation) or the Palmetto Seed Capital Fund Limited Partnership (fund), as defined in Section 41-44-10, are allowed a credit against income or bank taxes imposed under Title 12 or insurance premium taxes imposed under Chapter 7 of Title 38.

(B) The amount of the credit for each taxable year is the lesser of:

- (1) all qualified investments during the tax year multiplied by thirty percent, plus any credit carryover; or
- (2) fifty percent of all qualified investments during all tax years multiplied by thirty percent.

(C) To receive the credit the taxpayer shall:

- (1) claim the credit on the tax return in a manner prescribed by the appropriate agency; and
- (2) attach to the return a copy of the form, provided in subsection (F) and issued by the corporation, indicating the taxpayer's qualified investment.

(D) The use of the credit is limited to the taxpayer's tax liability for the year after the application of all other credits. An unused credit may be carried forward ten years from the date of the qualified investment.

(E)(1) If a qualified investment is redeemed by the fund or the corporation within five years of the date it is purchased, the taxpayer shall report the redemption to the appropriate agency. The credit allowed for the current year by this section is disallowed and a credit previously taken must be paid to the appropriate agency on the return filed for the period in which the redemption occurred.

(2) Neither a distribution by the fund nor dividends or other distributions by the corporation are considered to be redemption of the qualified stock or the qualified interest of the taxpayer unless the amount of qualified stock owned by the taxpayer or the qualified interest held by the taxpayer after the distribution or dividend is less than the amount of qualified stock or qualified interest held by the taxpayer immediately before the distribution or dividend.

(F) The corporation shall complete forms prescribed by the department which must show as to each qualified investment in the fund the following:

- (1) the name, address, and identification number of the taxpayer who purchased a qualified investment; and
- (2) the nature and amount paid for the qualified investment purchased by the taxpayer.

These forms must be filed with the appropriate department on or before the fifteenth day of the third month following the month in which the qualified investment is purchased. Copies of these forms must be mailed to the investor on or before the fifteenth day of the second month following the month in which the qualified investment is purchased.

(G) The total amount of credits allowed for all taxpayers in all taxable years may not exceed in the aggregate, five million dollars, excluding any allowable tax credits of the Palmetto Seed Capital Corporation. The credit must be allowed to taxpayers in the order of the time of the purchase of the qualified investments.

(H) For purposes of this section:

- (1) "The fund" means the Palmetto Seed Capital Fund Limited Partnership and is established and operated as described in Section 41-44-60.
- (2) "The corporation" means the Palmetto Seed Capital Corporation which is the general partner of the fund.
- (3) "Qualified investment" means qualified stock or qualified interest purchased for cash. Qualified stock means authorized but unissued shares of stock in the corporation. Qualified interest means a general partnership interest in the fund for the corporation and a limited partnership interest for all other persons.

(4) "Taxpayer" means an individual, corporation, partnership, trust, or other entity having a state income, bank or insurance premium tax liability who has made a qualified investment.

(5) "Appropriate agency" is the Department of Revenue for taxpayers subject to tax under Chapter 6 or Chapter 11 of this title and the Department of Insurance for corporations subject to the premium tax under Chapter 7 of Title 38.

(I) A corporation which files or is required to file a consolidated return is entitled to the income tax credit allowed by Section 12-6-3420 or this section on a consolidated basis. The tax credit may be determined on a consolidated basis regardless of whether or not the corporation entitled to the credit contributed to the tax liability of the consolidated group.

(J) The merger, consolidation, or reorganization of a corporation where tax attributes survive does not create new eligibility in a succeeding corporation but unused credits may be transferred and continued by the succeeding corporation. In addition, a corporation may assign its rights to its unused credit to another corporation if it transfers all, or substantially all, of the assets of the corporation or all, or substantially all, of the assets of a trade or business or operating division of a corporation to another corporation.

**Industry Partnership Fund Tax Credit  
Year Enacted – 2006**

**Explanation** – A taxpayer is allowed a credit against corporate and individual income taxes, bank taxes, license fees, or insurance premium taxes, or any combination of them equal to one hundred (100) percent of the taxpayer’s qualified contributions to the Industry Partnership Fund at the South Carolina Research Authority, or a Research Authority designated affiliate, or both. Any unused credit may be carried forward for ten (10) years from the end of the tax year in which the qualifying contribution is made. The credit is subject to the following limitations:

1. For tax year 2006, the maximum credit is \$650,000 for a single taxpayer, and \$2,000,000 for all taxpayers,
2. For tax year 2007, the maximum credit is \$1,300,000 for a single taxpayer, and \$4,000,000 for all taxpayers, and
3. For tax years beginning after December 31, 2007, the maximum credit is \$2,000,000 for a single taxpayer and \$6,000,000 for all taxpayers.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	0
Amount of Credits Claimed –	\$0
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	100
Amount of Credits Claimed –	\$3,267,051
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	100
Amount of Credits Claimed –	\$3,267,051

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	221
Amount of Credits Claimed –	\$6,973,755

**Primary Code Section**

**SECTION 12-6-3585.** Industry Partnership Fund tax credit.

(A) A taxpayer may claim as a credit against state income tax imposed by Chapter 6 of Title 12, bank tax imposed by Chapter 11 of Title 12, license fees imposed by Chapter 20 of Title 12, or insurance premiums imposed by Chapter 7 of Title 38, or any combination of them, one hundred percent of an amount contributed to the Industry Partnership Fund at the South Carolina Research Authority (SCRA), or an SCRA-designated affiliate, or both, pursuant to Section 13-17-88(E), up to a maximum credit of six hundred fifty thousand dollars for a single taxpayer, not to exceed an aggregate credit of two million dollars for all taxpayers in tax year 2006; up to a maximum credit of one million three hundred thousand dollars for a single taxpayer, not to exceed an aggregate credit of four million dollars for all taxpayers in tax year 2007; and up to a maximum credit of two million dollars for a single taxpayer, not to exceed an aggregate credit of six million dollars for all taxpayers for each tax year beginning after December 31, 2007. For purposes of determining a taxpayer's entitlement to the credit for qualified contributions for a given tax year in which more than the applicable aggregate annual limit on the credit is contributed by taxpayers for that year, taxpayers who have made contributions that are intended to be qualified contributions earlier in the applicable tax year than other taxpayers must be given priority entitlement to the credit. The SCRA shall certify to taxpayers who express a bona fide intention of making one or more qualified contributions as to whether the taxpayer is entitled to that priority.

(B) The amount of the credit is equal to one hundred percent of the amount of the taxpayer's qualified contributions to the Industry Partnership Fund, subject to the limitations in this section. The credit is nonrefundable.

(C) The use of the credit is limited to the taxpayer's applicable income or premium tax or license fee liability for the tax year of the taxpayer after the application of all other credits. An unused credit may be carried forward ten tax years after the tax year of the taxpayer during which the qualified contribution was made.

(D) A contribution is not a qualified contribution if it is subject to conditions or limitations regarding the use of the contribution.

(E) "Taxpayer" means an individual, corporation, partnership, trust, bank, insurance company, or other entity having a state income or insurance premium tax or license fee liability who has made a qualified contribution.

(F) To qualify for the credit, the taxpayer shall retain a form provided by SCRA identifying the taxpayer and the year and amount of credit for which the taxpayer qualifies. The Department of Revenue may require a copy of the form be attached to the taxpayer's income tax return or be provided otherwise to the department.

(G) The department may require information and submissions by the taxpayer as it considers appropriate in relation to a taxpayer's claim of entitlement to the credit.

(H) The merger, consolidation, or reorganization of a corporation where tax attributes survive does not create new eligibility in a succeeding corporation, but unused credits may be transferred and continued by the succeeding corporation. In addition, a corporation or partnership may assign its rights to its unused credit to another corporation or partnership if it transfers all, or substantially all, of the assets of the corporation or partnership or all, or substantially all, of the assets of the trade or business or operating division of the corporation or partnership to another corporation or partnership.

(I) A taxpayer who claims the credit may not take a deduction in relation to the qualified contribution which gives rise to such credit.

**Hydrogen Fund Tax Credit**  
**Year Enacted – 2007**

**Explanation** – A taxpayer is allowed a credit against corporate and individual income taxes, bank taxes, license fees, insurance premium taxes, or any combination of these taxes, equal to twenty-five (25) percent of a qualified contribution to the South Carolina Hydrogen Infrastructure Development Fund at the South Carolina Research Authority. Any unused credit may be carried forward for ten (10) years.

This tax credit is only available for tax years beginning after 2007 and before 2012.

**Tax Credits Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
Taxfilers Claiming Credits –	N/R
Amount of Credits Claimed –	N/R
<b>Individual Income Tax</b>	
Taxfilers Claiming Credits –	3
Amount of Credits Claimed –	\$23,217
<b>Total Credits Claimed</b>	
Taxfilers Claiming Credits –	3
Amount of Credits Claimed –	\$23,217

**N/R: Not Available**

**Total Tax Credits Claimed Since FY1999-00 (Tax Year 1999)**

Taxfilers Claiming Credits –	3
Amount of Credits Claimed –	\$23,217

**Primary Code Section**

**SECTION 12-6-3630.** Income tax credits; hydrogen research contributions.

(A) For taxable years beginning after 2007, and before 2012, a taxpayer is allowed a credit against the income tax imposed pursuant to Chapter 6 or 11 of this title, license fees imposed pursuant to Chapter 20 of this title, or insurance premium tax imposed pursuant to Chapter 7, Title 38, or a combination of them, for a qualified contribution made by a taxpayer to the South Carolina Hydrogen Infrastructure Development Fund

established pursuant to Chapter 46, Title 11. A contribution is not a qualified contribution if it is subject to a condition or limitation regarding the use of the contribution.

(B) The credit is equal to twenty-five percent of a qualified contribution made by a taxpayer to the fund. The credit must be used against the taxpayer's liability on income taxes, premium insurance taxes, or license fees after the application of all other credits applicable to the taxpayer's tax liability. Unused credits may be carried forward for ten years after the tax year in which a qualified contribution was made. The credit is nonrefundable.

(C) A taxpayer who claims a credit for a qualified contribution pursuant to this section may not claim a deduction for the same qualified contribution.

(D) A taxpayer who claims a credit pursuant to this section must attach to his tax return a copy of a form provided by the authority identifying the taxpayer's qualified contribution. The Department of Revenue may require from the taxpayer additional information identifying the taxpayer's qualified contribution as it considers appropriate.

**Section H. Revenue Transfers and Appropriations**

**Transfer: Gasoline Tax Revenue to the Department of Commerce  
Year Enacted – 1995**

**Explanation** – Prior to 2005, the first \$18,000,000 generated from three cents of the user fee levied on motor fuel was segregated in a separate account for economic development. This account was expended only upon the authorization for the South Carolina Coordinating Council for Economic Development which established project priorities. Act 176 of 2005 amended the allocation of the first three cents of the user fee levied on motor fuel to be:

1. in fiscal year 2005-06, \$12,000,000 to the account for economic development and \$6,000,000 credited to the Department of Transportation State Non-Federal Aid Highway Fund, and
2. in fiscal year 2006-07, \$6,000,000 to the account for economic development and \$12,000,000 credited to the Department of Transportation State Non-Federal Aid Highway Fund. All payments to the account for economic development shall cease at the end of fiscal year 2006-07.
3. Beginning in fiscal year 2007-08, and each succeeding fiscal year, the first \$18,000,000 generated from three cents of the user fee levied in this chapter must be credited to the Department of Transportation State Non-Federal Aid Highway Fund.

**Gasoline Tax Transfer in FY2008-09**

<b>Amount of Transfer – \$0</b>
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**Total Gasoline Tax Transfers Since FY1999-00**

<b>Amount of Transfers – \$126,000,000</b>
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**Primary Code Section**

**SECTION 12-28-2910.** South Carolina Coordinating Council for Economic Development; establishing project priorities; disposition of payments.

(A) The first eighteen million dollars generated from three cents of the user fee levied in this chapter must be segregated in a separate account for economic development. This account may be expended only upon the authorization of the South Carolina Coordinating

Council for Economic Development which shall establish project priorities. Funds devoted to the economic development account must remain in the account if not expended in the previous fiscal year. Annually, funds from the user fee must be deposited to replenish the account to the extent and in an amount necessary to maintain an uncommitted or an unobligated fund balance of eighteen million dollars but not to exceed eighteen million dollars for the ensuing fiscal year, or both. The council may spend no more than two hundred fifty thousand dollars, in the first year only, for a long-term economic development plan which must be submitted to the General Assembly on completion of the plan. The council may spend not more than sixty thousand dollars annually for a state infrastructure model.

(B) All interest earnings on the Economic Development Account must be credited to the State Highway Fund.

(C) Notwithstanding another provision of law, the payments required pursuant to subsection (A) shall be:

(1) in fiscal year 2005-2006, twelve million dollars to the account for economic development and six million dollars credited to the Department of Transportation State Non-Federal Aid Highway Fund; and

(2) in fiscal year 2006-2007, six million dollars to the account for economic development and twelve million dollars credited to the Department of Transportation State Non-Federal Aid Highway Fund. All payments to the account for economic development shall cease at the end of fiscal year 2006-2007.

(D) Beginning in fiscal year 2007-2008, and each succeeding fiscal year, the first eighteen million dollars generated from three cents of the user fee levied in this chapter must be credited to the Department of Transportation State Non-Federal Aid Highway Fund.

**Transfer: Electric Power Tax to the Department of Commerce  
Year Enacted – 2005**

**Explanation** – Act 176 of 2005 authorized the transfer of electric power tax revenue from the General Fund to the South Carolina Department of Transportation. The Act designated \$7,000,000 of electric power taxes must be placed in the account for economic development for fiscal year 2005-06, \$14,000,000 for fiscal year 2006-07, and \$20,000,000 for fiscal year 2007-08 and for each succeeding fiscal year thereafter. Beginning in fiscal year 2007-08, any electric power taxes collected in excess of \$20,000,000 must be credited to the Department of Transportation and distributed as fifty (50) percent to the State Non-Federal Aid Highway Fund, and fifty (50) percent to the State Highway Account of the South Carolina State Transportation Infrastructure Bank.

**Electric Power Tax Transfer in FY2008-09**

<b>Amount of Transfer – \$20,000,000</b>
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**Total Electric Power Tax Transfers Since FY1999-00**

<b>Amount of Transfers – \$61,000,000</b>
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**Primary Code Section**

**SECTION 12-28-2915.** Disposition of taxes collected.

(A) Notwithstanding another provision of law, seven million dollars of the taxes collected pursuant to Article 1, Chapter 23, Title 12 must be placed in the account for economic development contained in Section 12-28-2910 for fiscal year 2005-2006, fourteen million dollars for fiscal year 2006-2007, and twenty million dollars for fiscal year 2007-2008 and for each succeeding fiscal year thereafter.

(B) Beginning in fiscal year 2007-2008, all taxes collected pursuant to Article 1, Chapter 23, Title 12 in excess of twenty million dollars must be credited to the Department of Transportation which shall:

(1) annually distribute fifty percent of the excess to the State Non-Federal Aid Highway Fund; and

(2) make an annual contribution from nonstate tax sources in an amount equivalent to fifty percent of the excess to the State Highway Account of the South Carolina State Transportation Infrastructure Bank.

**Transfer: Admissions Tax Revenue to the Department of Commerce  
Year Enacted – 2004**

**Explanation** – An amount equal to twenty-six percent of the General Fund portion of admissions tax collected by the State of South Carolina for the previous fiscal year must be funded annually by September first to the department for the exclusive use of the South Carolina Film Commission.

**Admissions Tax Transfer in FY2008-09**

<b>Amount of Transfer – \$6,435,117</b>
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**Admissions Tax Transfers Since FY1999-00**

<b>Amount of Transfers – \$28,598,101</b>
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**Primary Code Section**

**SECTION 12-62-60.** Distribution of admissions taxes; rebates to motion picture production companies; promotion of collaborative efforts between institutions of higher learning and motion picture related entities.

(A)(1) An amount equal to twenty-six percent of the general fund portion of admissions tax collected by the State of South Carolina for the previous fiscal year must be funded annually by September first to the department for the exclusive use of the South Carolina Film Commission. The department may rebate to a motion picture production company up to fifteen percent of the expenditures made by the motion picture production company in the State if the motion picture production company has a minimum in-state expenditure of one million dollars. The distribution of rebates may not exceed the amount annually funded to the department for the South Carolina Film Commission from the admissions tax collected by the State.

(2) This subsection does not apply to payroll paid for motion picture production employees subject to Section 12-62-50 or money paid to the companies described in Section 12-62-50(A)(2)(a)(ii) or (iii). Unexpended funds from this source may be carried over to the next and succeeding fiscal years.

(B) Up to seven percent of the amount provided to the department in subsection (A) may be used exclusively for marketing and special events.

(C) The allocations to motion picture production companies contemplated by this chapter must be made by the Coordinating Council for Economic Development. The

Coordinating Council for Economic Development may adopt rules and promulgate regulations for the application for and award of the rebate.

(D) One percent of the general fund portion of admissions tax collected by the State of South Carolina must be funded to the department for the exclusive use of the South Carolina Film Commission for the promotion of collaborative production and educational efforts between institutions of higher learning in South Carolina and motion picture related entities. The department, in conjunction with the South Carolina Film Commission, shall adopt rules and promulgate regulations necessary to administer this section. Unexpended funds from this source may be carried over to the next and succeeding fiscal years.

(E) The department shall report annually to the coordinating council on the use of all funds pursuant to this section. The report is a public record pursuant to the Freedom of Information Act, Chapter 4 of Title 30, and must be posted annually on the commission's website by January first.

**Appropriation: “Closing Fund” for Department of Commerce  
Year Enacted – 2007**

**Explanation** – The Fiscal Year 2007-08 Appropriation Act contained a line item appropriation to the South Carolina Department of Commerce in the amount of \$7,000,000 to be used by industry recruitment official to “close” deals that attract new businesses and capital investment to South Carolina. Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

**“Closing Fund” Appropriation in FY2008-09**

<b>Amount of Appropriation – \$7,000,000</b>
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**Primary Code Section  
H.B.4800, Part IB, Proviso 40.30**

**40.30.** (CMRC: Closing Fund) In order to encourage and facilitate economic development, the \$7,000,000 appropriated for the Closing Fund for competitive recruitment purposes shall be used as approved by the Coordinating Council for Economic Development. Any unexpended balance on June 30, of the prior fiscal year may be carried forward and expended in the current fiscal year by the Department of Commerce for the same purposes.

**Appropriation: Regional Economic Development Organizations  
Year Enacted – 2007**

**Explanation** – The Fiscal Year 2007-08 Appropriation Act contained a line item appropriation to the South Carolina Department of Commerce in the amount of \$3,000,000 to be used among the state’s regional economic development organizations to promote and foster economic development. Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

**Regional Economic Development Organizations Appropriation in FY2008-09**

<b>Amount of Appropriation – \$3,000,000</b>
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**Primary Code Section  
H.B.4800, Part IB, Proviso 40.35**

***\*\*40.35. (CMRC: Economic Development Organizations) The Department of Commerce shall utilize the balance of the \$2,700,000 of the \$3,000,000 appropriated in the Fiscal Year 2007-08 Appropriation Act for Regional Economic Development Organizations to provide funds to the following six economic development organizations that have not already drawn down the maximum of \$450,000:***

- (1) Central SC Economic Development Alliance;***
- (2) Charleston Regional Development Alliance;***
- (3) Economic Development Partnership;***
- (4) North Eastern Strategic Alliance (NESAs);***
- (5) Southern Carolina Alliance; and***
- (6) Upstate Alliance.***

***In addition, from the balance of the \$2,700,000 the Lowcountry Economic Alliance shall receive \$150,000.***

***For entities that have not already drawn down the maximum of \$450,000 as authorized in Act 117 of 2007, the remaining funds must be disbursed equally to each organization with a maximum amount of \$420,000. Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development.***

***The remaining \$300,000 shall be provided to Chester County, Lancaster County, Union County, and York County provided they meet the requirements established above.***

***Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.***

*Funds recipients shall provide an annual report by November 1, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.*

Text printed in italic, boldface indicates sections vetoed by the Governor on May 28, 2008.

\*\*Indicates those vetoes overridden by the General Assembly on June 3 or June 4, 2008

**Appropriation: Community Development Corporation Initiatives  
Year Enacted – 2007**

**Explanation** – The Fiscal Year 2007-08 Appropriation Act contained a line item appropriation to the South Carolina Department of Commerce in the amount of \$1,000,000 to be used to fund initiatives of the Community Development Corporation program. Details of the program and the associated tax credits are explained in Section G.

**Community Development Corporation Initiatives Appropriation in FY2008-09**

<b>Amount of Appropriation – \$2,700,000</b>
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**Primary Code Section  
H.B.3620, Part IB, Proviso 40.33**

**40.33.** (CMRC: Community Development Corporation Carry Forward) The Department of Commerce shall be authorized to carry forward Community Development Corporation Initiative committed and uncommitted funds from the prior fiscal year and to use these funds for the same purpose.

**Section I. Total Tax Credits Claimed, Rebates, Transfers, and Appropriations for Economic Development in FY2008-09 and Since FY1999-00**

Based upon data from the South Carolina Department of Revenue, 950 taxfilers claimed corporate income tax credits amounting to \$374,194,804 during fiscal year 2007-08. Another 117,744 taxfilers claimed individual income tax credits amounting to \$724,887,778 during the same time period. Combined, taxfilers claimed 118,694 corporate and income tax credits amounting to \$1,098,940,382 during fiscal year 2007-08. Since fiscal year 1999-00, taxfilers have claimed 998,793 corporate income tax, individual income tax, corporate license tax, insurance premium tax and bank tax credits totaling \$2,248,418,842 for economic development in South Carolina.

**Total Tax Credits and Rebates Claimed in FY2008-09 (Tax Year 2008)**

<b>Corporate Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>334</b>
<b>Amount of Credits Claimed –</b>	<b>\$103,895,929</b>
<b>Individual Income Tax</b>	
<b>Taxfilers Claiming Credits –</b>	<b>119,098</b>
<b>Amount of Credits Claimed –</b>	<b>\$118,222,392</b>
<b>Total Credits Claimed</b>	
<b>Taxfilers Claiming Credits –</b>	<b>119,432</b>
<b>Amount of Credits Claimed –</b>	<b>\$222,118,321</b>

**Total Tax Credits and Rebates Claimed Since FY1999-00 (Tax Year 1999)**

<b>Taxfilers Claiming Credits –</b>	<b>1,117,551</b>
<b>Amount of Credits Claimed –</b>	<b>\$1,559,629,170</b>

Based upon information contained in the Fiscal Year 2007-08 Appropriations Act and from separate enacted legislation, total transfers of funds from the General Fund and General Fund appropriations for economic development totaled \$37,769,143 in fiscal year 2007-08. Since Fiscal Year 1999-00, total transfers of funds from the General Fund and General Fund appropriations for economic development have totaled \$218,612,984.

**Total Tax Transfers and Appropriations in FY2008-09 (Tax Year 2008)**

<b>Total Transfers and Appropriations – \$39,135,117</b>
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**Total Tax Transfers and Appropriations Since in FY1999-00 (Tax Year 1999)**

<b>Total Transfers and Appropriations – \$257,748,101</b>
---

In total, tax credits claimed, rebates, legislatively-enacted transfers of funds, and appropriations for economic development totaled \$1,136,709,525 in fiscal year 2007-08. Since fiscal year 1999-00, the state-source funding for economic development has totaled \$2,467,031,826.

**Total Tax Credits Claimed, Rebates, Transfers, and Appropriations in FY2008-09**

<b>\$261,253,438</b>
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**Total Credits Claimed, Rebates, Transfers, and Appropriations Since FY1999-00**

<b>\$1,817,377,271</b>
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## **APPENDIX**

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**Table A-1. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2008-09 (Tax Year 2008)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax		Individual Income Tax		Total Income Tax		Primary Code Section(s)	Income Tax		Refundable
		Taxpayers Filing Credits	Amount of Credits	Taxpayers Filing Credits	Amount of Credits	Taxpayers Filing Credits	Amount of Credits		Form Number		
<b>1 Job or Employee Credits and Incentives</b>											
2 Job Tax Credit	1995	124	\$41,479,523	427	\$9,768,572	551	\$51,248,095	12-6-3360	TC4		1
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			11	\$1,267,242	11	\$1,267,242	12-6-3360	DOI, Schedule 6		2
4 Small Business Job Tax Credit	2006			75	\$208,214	75	\$208,214	12-6-3362	TC4SA; TC4SB		3
5 Job Development Credits	1995				\$70,317,528		\$70,317,528	12-10-80; 12-10-81	1040TC		4
6 Job Retraining Credits	2001				\$2,059,613		\$2,059,613	12-10-95	1040TC		5
7 Tax Moratorium	2000	0	\$0			0	\$0	12-6-3367	TC34		6
8 Credit for Hiring Family Independence Recipient	1995	23	\$162,258	52	\$86,513	75	\$248,771	12-6-3470	TC12; TC12A		7
9 Apprenticeship Credit	2007			12	\$27,345	12	\$27,345	12-6-3477	TC45		8
10 Credit for Hiring Displaced Workers	1995	0	\$0	0	\$0	0	\$0	12-6-3450	TC10		9
11											10
<b>12 General Business Credits</b>											11
13 Credit for Investing in an Economic Impact Zone	1995	69	\$23,190,705	123	\$1,166,965	192	\$24,357,670	12-14-60	TC11; TC11R		12
14 Corporate Headquarters Credit	1995	5	\$9,287,269			5	\$9,287,269	12-6-3410	TC8		13
15 Credit for Infrastructure Construction	1995	9	\$3,043,408			9	\$3,043,408	12-6-3420	TC6		14
16 Credit Against Licensee Fee for Infrastructure	1996							12-20-105			15
17 Research and Development Credit	2000	88	\$15,753,004	50	\$345,317	138	\$16,098,321	12-6-3415	TC18		16
18 Port Volume Increase Credit	2005	6	\$1,702,268	3	\$42,213	9	\$1,744,481	12-6-3375	TC30		17
19 Credit for Child Care Programs	1995	0	\$0	117,288	\$20,432,880	117,288	\$20,432,880	12-6-3440	TC9		18
20 Minority Business Credit	1995	0	\$0	16	\$191,612	16	\$191,612	12-6-3350	TC2		19
21 Quality Improvement Program Credits	2005	0	\$0	0	\$0	0	\$0	12-6-3580	TC28		20
22 Fire Sprinkler System Credit	2007			61	\$65,999	61	\$65,999	12-6-3622	TC52		21
23											22
<b>24 Industry Specific Credits</b>											23
25 Motion Picture Project Credit	1998			0	\$0	0	\$0	12-6-3570(A)	TC25		24
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004			3	\$38,823	3	\$38,823	12-62-20; 12-62-50;			25
27								12-62-60			26
28 Motion Picture Production Facility Credit	1998							12-6-3570(B)	TC25		27
29 Commercial Production Credit	2004			0	\$0	0	\$0	12-6-3560	TC24		28
30 Milk Producer Credit	2005							12-6-3590	I334		29
31 Agricultural Use of Anhydrous Ammonia Credit	2005							12-6-3582	I333		R 30
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006	0	\$0			0	\$0	12-6-3589	TC37		R 31
33											32
<b>34 Property Rehabilitation Credits</b>											33
35 Textile Revitalization Credits	2005			48	\$1,113,010	48	\$1,113,010	12-65-30	TC23		34
36 Retail Facility Revitalization Credits	2006			9	\$107,636	9	\$107,636	6-34-40	TC31		35
37 Credit for Rehabilitation of a Certified Historic Structure	2002	1	\$235,155	70	\$737,829	71	\$972,984	12-6-3535	TC21; TC22		36
38											37
<b>39 Land Conservation or Environmental Credits</b>											38
40 Conservation Credit	2000	2	\$24,499	235	\$5,893,181	237	\$5,917,680	12-6-3515	TC19		39
41 Credit for Water Impoundments and Water Controls	1995	3	\$1,042,344	41	\$67,000	44	\$1,109,344	12-6-3370	TC1; TC3		40
42 Habitat Management Credit	1999							12-6-3520			41
43 Brownfields Voluntary Cleanup Credit	2002							12-6-3550	TC20		42
44 Recycling Facility Tax Credits	1995	3	\$7,877,996			3	\$7,877,996	12-6-3460	TC17		43
45 Mercury Switch Disposal Credit	2006							12-6-3525	TC33		44
46											45
<b>47 Energy Conservation and Alternative Energy Credits</b>											46
48 Solar Energy Credit	2006			99	\$208,930	99	\$208,930	12-6-3587	TC38		47
49 Alternative Motor Vehicle Credit	2006			194	\$113,265	194	\$113,265	12-6-3377	TC35		48
50 Plug-in Hybrid Vehicle Credit	2006			10	\$18,910	10	\$18,910	12-6-3376	TC48		49
51 Ethanol or Biodiesel Production Credits	2006			13	\$435,743	13	\$435,743	12-6-3600	TC40; TC40A		50

**Table A-1. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2008-09 (Tax Year 2008)**  
(Dollars)

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		Primary Code Section(s)	Income Tax Form Number	Refundable
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits			
52 Ethanol or Biodiesel Research and Development Credit	2007							12-6-3631	TC49	52
53 Biomass Resources Credit	2006							12-6-3620	TC50	53
54 Credit for Renewable Fuels	2006			1	\$200	1	\$200	12-6-3610	TC41; TC41A	54
55 Credit for Energy Conservation and Renewable Energy	1995	1	\$97,500	116	\$105,986	117	\$203,486	12-6-3340	TC1	55
56										56
57 <b>Investments/Contributions to Other Entities Incentives</b>										57
58 Community Development Corporation Investment Credit	2000			37	\$111,598	37	\$111,598	12-6-3530	TC14	58
59 Venture Capital Investment	2004			0	\$0	0	\$0	11-45-30	TC26	59
60 Palmetto Seed Capital Credit	1995	0	\$0	1	\$0	1	\$0	12-6-3430	TC7	60
61 Industry Partnership Fund Tax Credit	2006	0	\$0	100	\$3,267,051	100	\$3,267,051	12-6-3585	TC36	61
62 Hydrogen Fund Tax Credit	2007			3	\$23,217	3	\$23,217	12-6-3630	TC47	62
63										63
64										64
65 <b>Total Tax Incentives for Economic Development</b>		<b>334</b>	<b>\$103,895,929</b>	<b>119,098</b>	<b>\$118,222,392</b>	<b>119,432</b>	<b>\$222,118,321</b>			65
66										66
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$0	12-28-2910		67
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						\$20,000,000	12-28-2915		68
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						\$6,435,117	12-62-60		69
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							\$7,000,000	Proviso 40.30		70
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>										71
72 <b>Appropriation: Regional Economic Development Organizations</b>							\$3,000,000	Proviso 40.35		72
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>										73
74 <b>Appropriation: Community Development Corporation Initiatives</b>							\$2,700,000	Proviso 40.33		74
75 <b>Appropriation: Community Development Corporation Initiatives</b>										75
76										76
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$261,253,438</b>			77

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-2. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2007-08 (Tax Year 2007)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
<b>1 Job or Employee Credits and Incentives</b>							<b>1</b>
2 Job Tax Credit	1995	102	\$36,581,029	361	\$7,255,598	463	\$43,836,627
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			12	\$5,504,231	12	\$5,504,231
4 Small Business Job Tax Credit	2006			27	\$316,612	27	\$316,612
5 Job Development Credits	1995				\$62,559,181		\$62,559,181
6 Job Retraining Credits	2001				\$2,004,535		\$2,004,535
7 Tax Moratorium	2000					0	\$0
8 Credit for Hiring Family Independence Recipient	1995	18	\$89,001	68	\$111,525	86	\$200,526
9 Apprenticeship Credit	2007					0	\$0
10 Credit for Hiring Displaced Workers	1995	1	\$482	0	\$0	1	\$482
<b>11 General Business Credits</b>							<b>11</b>
12 Credit for Investing in an Economic Impact Zone	1995	84	\$20,772,039	177	\$1,363,396	261	\$22,135,435
13 Corporate Headquarters Credit	1995	1	\$434,736			1	\$434,736
14 Credit for Infrastructure Construction	1995	8	\$1,219,781			8	\$1,219,781
15 Credit Against Licensee Fee for Infrastructure	1996					0	\$0
16 Research and Development Credit	2000	47	\$7,425,132			47	\$7,425,132
17 Port Volume Increase Credit	2005	2	\$53,144	11	\$100,364	13	\$153,508
18 Credit for Child Care Programs	1995	0	\$0	115,935	\$19,939,171	115,935	\$19,939,171
19 Minority Business Credit	1995	3	\$56,742	20	\$132,122	23	\$188,864
20 Quality Improvement Program Credits	2005	3	\$1,158,981	2	\$2,670	5	\$1,161,651
21 Fire Sprinkler System Credit	2007						
<b>22 Industry Specific Credits</b>							<b>22</b>
23 Motion Picture Project Credit	1998			7	\$62,895	7	\$62,895
24 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004					0	\$0
25 Motion Picture Production Facility Credit	1998					0	\$0
26 Commercial Production Credit	2004			0	\$0	0	\$0
27 Milk Producer Credit	2005					0	\$0
28 Agricultural Use of Anhydrous Ammonia Credit	2005					0	\$0
29 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006	2	\$142,200			2	\$142,200
<b>30 Property Rehabilitation Credits</b>							<b>30</b>
31 Textile Revitalization Credits	2005			48	\$920,028	48	\$920,028
32 Retail Facility Revitalization Credits	2006			5	\$82,950	5	\$82,950
33 Credit for Rehabilitation of a Certified Historic Structure	2002	1	\$77,477	60	\$1,073,467	61	\$1,150,944
<b>34 Land Conservation or Environmental Credits</b>							<b>34</b>
35 Conservation Credit	2000	1	\$469	222	\$6,913,672	223	\$6,914,141
36 Credit for Water Impoundments and Water Controls	1995	1	\$82,500	39	\$84,682	40	\$167,182
37 Habitat Management Credit	1999					0	\$0
38 Brownfields Voluntary Cleanup Credit	2002					0	\$0
39 Recycling Facility Tax Credits	1995	1	\$7,026,056			1	\$7,026,056
40 Mercury Switch Disposal Credit	2006					0	\$0
<b>41 Energy Conservation and Alternative Energy Credits</b>							<b>41</b>
42 Solar Energy Credit	2006			87	\$132,058	87	\$132,058
43 Alternative Motor Vehicle Credit	2006			428	\$201,686	428	\$201,686
44 Plug-in Hybrid Vehicle Credit	2006					0	\$0
45 Ethanol or Biodiesel Production Credits	2006			5	\$5,137	5	\$5,137

**Table A-2. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2007-08 (Tax Year 2007)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007					0	\$0
53 Biomass Resources Credit	2006					0	\$0
54 Credit for Renewable Fuels	2006					0	\$0
55 Credit for Energy Conservation and Renewable Energy	1995	3	\$1,295,285	93	\$81,821	96	\$1,377,106
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000			33	\$31,927	33	\$31,927
59 Venture Capital Investment	2004			2	\$17,000	2	\$17,000
60 Palmetto Seed Capital Credit	1995	0	\$0	1	\$100	1	\$100
61 Industry Partnership Fund Tax Credit	2006	1	\$500,000	98	\$2,362,707	99	\$2,862,707
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>279</b>	<b>\$76,915,054</b>	<b>117,741</b>	<b>\$111,259,535</b>	<b>118,020</b>	<b>\$188,174,589</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$0
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						\$20,000,000
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						\$6,369,143
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							\$7,000,000
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72 <b>Appropriation: Regional Economic Development Organizations</b>							\$3,000,000
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74 <b>Appropriation: Community Development Corporation Initiatives</b>							\$400,000
75 <b>Appropriation: Community Development Corporation Initiatives</b>							\$1,000,000
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$225,943,732</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-3. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2006-07 (Tax Year 2006)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								<b>1</b>
2 Job Tax Credit	1995	93	\$72,059,902	309	\$5,996,102	402	\$78,056,004	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			13	\$7,553,917	13	\$7,553,917	3
4 Small Business Job Tax Credit	2006			12	\$58,324	12	\$58,324	4
5 Job Development Credits	1995				\$60,977,721		\$60,977,721	5
6 Job Retraining Credits	2001				\$2,003,543		\$2,003,543	6
7 Tax Moratorium	2000	2	\$922,428			2	\$922,428	7
8 Credit for Hiring Family Independence Recipient	1995	22	\$417,189	61	\$104,138	83	\$521,327	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	1	\$4,186	0	\$0	1	\$4,186	10
<b>11 General Business Credits</b>								<b>11</b>
12 Credit for Investing in an Economic Impact Zone	1995	62	\$9,070,623	188	\$2,272,522	250	\$11,343,145	13
13 Corporate Headquarters Credit	1995	2	\$434,737			2	\$434,737	14
14 Credit for Infrastructure Construction	1995	5	\$673,570			5	\$673,570	15
15 Credit Against Licensee Fee for Infrastructure	1996							16
16 Research and Development Credit	2000	33	\$4,142,805			33	\$4,142,805	17
17 Port Volume Increase Credit	2005			40	\$57,249	40	\$57,249	18
18 Credit for Child Care Programs	1995			116,962	\$19,838,242	116,962	\$19,838,242	19
19 Minority Business Credit	1995	5	\$100,068	11	\$43,380	16	\$143,448	20
20 Quality Improvement Program Credits	2005			2	\$2,651	2	\$2,651	21
21 Fire Sprinkler System Credit	2007							22
<b>22 Industry Specific Credits</b>								<b>23</b>
23 Motion Picture Project Credit	1998			2	\$9,057	2	\$9,057	24
24 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004			9	\$8,377,757		\$8,377,757	25
25 Motion Picture Production Facility Credit	1998			3	\$42,074	3	\$42,074	26
26 Commercial Production Credit	2004			2	\$300	2	\$300	27
27 Milk Producer Credit	2005							28
28 Agricultural Use of Anhydrous Ammonia Credit	2005							29
29 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							30
<b>30 Property Rehabilitation Credits</b>								<b>31</b>
31 Textile Revitalization Credits	2005			52	\$1,496,926	52	\$1,496,926	32
32 Retail Facility Revitalization Credits	2006			1	\$7,110	1	\$7,110	33
33 Credit for Rehabilitation of a Certified Historic Structure	2002	2	\$242,876	40	\$385,544	42	\$628,420	34
<b>34 Land Conservation or Environmental Credits</b>								<b>35</b>
35 Conservation Credit	2000	1	\$2,557	120	\$3,111,071	121	\$3,113,628	36
36 Credit for Water Impoundments and Water Controls	1995	1	\$2,500	42	\$62,743	43	\$65,243	37
37 Habitat Management Credit	1999							38
38 Brownfields Voluntary Cleanup Credit	2002							39
39 Recycling Facility Tax Credits	1995	1	\$12,187,836			1	\$12,187,836	40
40 Mercury Switch Disposal Credit	2006							41
<b>41 Energy Conservation and Alternative Energy Credits</b>								<b>42</b>
42 Solar Energy Credit	2006			46	\$45,218	46	\$45,218	43
43 Alternative Motor Vehicle Credit	2006			360	\$182,427	360	\$182,427	44
44 Plug-in Hybrid Vehicle Credit	2006							45
45 Ethanol or Biodiesel Production Credits	2006			2	\$1,252	2	\$1,252	46

**Table A-3. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2006-07 (Tax Year 2006)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995	0	\$0	85	\$61,149	85	\$61,149
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000			16	\$14,001	16	\$14,001
59 Venture Capital Investment	2004			1	\$70	1	\$70
60 Palmetto Seed Capital Credit	1995	0	\$0	3	\$11,140	3	\$11,140
61 Industry Partnership Fund Tax Credit	2006	1	\$5,300	21	\$838,697	22	\$843,997
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>231</b>	<b>\$100,266,577</b>	<b>118,403</b>	<b>\$113,554,325</b>	<b>118,634</b>	<b>\$213,820,902</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$6,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						\$14,000,000
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						\$5,740,048
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							\$7,000,000
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							\$3,000,000
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							\$7,050,000
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							\$1,000,000
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$257,610,950</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

BEA/RWM/11/19/08

**Table A-4. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2005-06 (Tax Year 2005)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995	75	\$36,614,218	289	\$6,467,172	364	\$43,081,390	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			13	\$6,925,246	13	\$6,925,246	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$58,153,477		\$58,153,477	5
6 Job Retraining Credits	2001				\$2,567,268		\$2,567,268	6
7 Tax Moratorium	2000	2	\$741,919			2	\$741,919	7
8 Credit for Hiring Family Independence Recipient	1995	15	\$350,212	37	\$24,668	52	\$374,880	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	1	\$3,303	5	\$4,277	6	\$7,580	10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995	58	\$17,397,350	168	\$1,931,324	226	\$19,328,674	13
14 Corporate Headquarters Credit	1995	1	\$14,807			1	\$14,807	14
15 Credit for Infrastructure Construction	1995	5	\$1,760,366			5	\$1,760,366	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000	31	\$4,538,943			31	\$4,538,943	17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995	0	\$0	113,943	\$19,164,834	113,943	\$19,164,834	19
20 Minority Business Credit	1995	0	\$0	16	\$79,992	16	\$79,992	20
21 Quality Improvement Program Credits	2005			2	\$77	2	\$77	21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998			4	\$42,031	4	\$42,031	25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			1	\$2	1	\$2	28
29 Commercial Production Credit	2004			2	\$107	2	\$107	29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005			43	\$1,374,124	43	\$1,374,124	35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002	1	\$7,720	31	\$268,193	32	\$275,913	37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000	0	\$0	99	\$1,996,166	99	\$1,996,166	40
41 Credit for Water Impoundments and Water Controls	1995	0	\$0	30	\$51,859	30	\$51,859	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995	0	\$0			0		44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-4. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2005-06 (Tax Year 2005)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
52 Ethanol or Biodiesel Research and Development Credit	2007							52
53 Biomass Resources Credit	2006							53
54 Credit for Renewable Fuels	2006							54
55 Credit for Energy Conservation and Renewable Energy	1995	4	\$639,760	55	\$97,592	59		55
56								56
57 <b>Investments/Contributions to Other Entities Incentives</b>								57
58 Community Development Corporation Investment Credit	2000			14	\$5,234	14	\$5,234	58
59 Venture Capital Investment	2004			3	\$3,575	3	\$3,575	59
60 Palmetto Seed Capital Credit	1995	0	\$0	5	\$65,658	5	\$65,658	60
61 Industry Partnership Fund Tax Credit	2006							61
62 Hydrogen Fund Tax Credit	2007							62
63								63
64								64
65 <b>Total Tax Incentives for Economic Development</b>		193	\$62,068,598	114,760	\$99,222,876	114,953	\$160,554,122	65
66								66
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$12,000,000	67
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						\$7,000,000	68
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						\$5,885,835	69
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>								70
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>								71
72								72
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>								73
74								74
75 <b>Appropriation: Community Development Corporation Initiatives</b>								75
76								76
77 <b>Total Economic Incentives for Economic Development</b>							\$185,439,957	77

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-5. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2004-05 (Tax Year 2004)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax		Individual Income Tax		Total Income Tax		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								<b>1</b>
2 Job Tax Credit	1995	74	\$46,258,140	288	\$5,186,809	362	\$51,444,949	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			13	\$5,588,087	13	\$5,588,087	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$55,796,902		\$55,796,902	5
6 Job Retraining Credits	2001				\$2,551,178		\$2,551,178	6
7 Tax Moratorium	2000	2	\$623,917			2	\$623,917	7
8 Credit for Hiring Family Independence Recipient	1995	14	\$1,037,772	92	\$135,191	106	\$1,172,963	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	0	\$0	0	\$0	0	\$0	10
11								11
<b>12 General Business Credits</b>								<b>12</b>
13 Credit for Investing in an Economic Impact Zone	1995	63	\$13,678,603	173	\$1,480,743	236	\$15,159,346	13
14 Corporate Headquarters Credit	1995	0	\$0			0		14
15 Credit for Infrastructure Construction	1995	4	\$249,645			4	\$249,645	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000	24	\$4,042,415			24	\$4,042,415	17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995	1	\$9,569	110,268	\$18,298,612	110,269	\$18,308,181	19
20 Minority Business Credit	1995	2	\$17,442	15	\$120,368	17	\$137,810	20
21 Quality Improvement Program Credits	2005				\$42,716	0	\$42,716	21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								<b>24</b>
25 Motion Picture Project Credit	1998			4	\$26,624	4	\$26,624	25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			2	\$64,789	2	\$64,789	28
29 Commercial Production Credit	2004			3	\$9,273	3	\$9,273	29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								<b>34</b>
35 Textile Revitalization Credits	2005			60	\$1,130,936	60	\$1,130,936	35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002	1	\$3,916	25	\$410,095	26	\$414,011	37
38								38
<b>39 Land Conservation or Environmental Credits</b>								<b>39</b>
40 Conservation Credit	2000	1	\$41,338	73	\$3,089,890	74	\$3,131,228	40
41 Credit for Water Impoundments and Water Controls	1995	1	\$424,500	35	\$56,507	36	\$481,007	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995	0	\$0			0		44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								<b>47</b>
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-5. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2004-05 (Tax Year 2004)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995	0	\$0	92	\$63,914	92	
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000			12	\$22,539	12	\$22,539
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995	0	\$0	5	\$69,535	5	\$69,535
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>187</b>	<b>\$66,387,257</b>	<b>111,160</b>	<b>\$94,144,708</b>	<b>111,347</b>	<b>\$160,468,051</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						\$4,167,958
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$182,636,009</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-6. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2003-04 (Tax Year 2003)**  
(Dollars)

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								<b>1</b>
2 Job Tax Credit	1995	116	\$44,819,421	264	\$11,515,585	380	\$56,335,006	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			7	\$4,635,723	7	\$4,635,723	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$53,771,951		\$53,771,951	5
6 Job Retraining Credits	2001				\$2,491,044		\$2,491,044	6
7 Tax Moratorium	2000	2	\$135,727			2	\$135,727	7
8 Credit for Hiring Family Independence Recipient	1995	29	\$380,760	85	\$121,294	114	\$502,054	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	0	\$0	1	\$445	1	\$445	10
11								11
<b>12 General Business Credits</b>								<b>12</b>
13 Credit for Investing in an Economic Impact Zone	1995	68	\$15,440,582	147	\$1,278,501	215	\$16,719,083	13
14 Corporate Headquarters Credit	1995	0	\$142,040			0	\$142,040	14
15 Credit for Infrastructure Construction	1995	3	\$109,500			3	\$109,500	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000	20	\$2,715,116			20	\$2,715,116	17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995	0	\$0	108,716	\$17,519,219	108,716	\$17,519,219	19
20 Minority Business Credit	1995	4	\$154,275	24	\$71,185	28	\$225,460	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								<b>24</b>
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			150	\$285,450	150	\$285,450	28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								<b>34</b>
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002			21	\$269,224	21	\$269,224	37
38								38
<b>39 Land Conservation or Environmental Credits</b>								<b>39</b>
40 Conservation Credit	2000			78	\$1,666,677	78	\$1,666,677	40
41 Credit for Water Impoundments and Water Controls	1995	0	\$0	36	\$48,222	36	\$48,222	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995	0	\$0			0	\$0	44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								<b>47</b>
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-6. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2003-04 (Tax Year 2003)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995	0	\$0	82	\$75,656	82	\$75,656
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000			9	\$2,050	9	\$2,050
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995	0	\$0	0	\$0	0	\$0
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>242</b>	<b>\$63,897,421</b>	<b>109,620</b>	<b>\$93,752,226</b>	<b>109,862</b>	<b>\$157,649,647</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$175,649,647</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-7. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2002-03 (Tax Year 2002)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								<b>1</b>
2 Job Tax Credit	1995	96	\$36,623,393	124	\$4,273,649	220	\$40,897,042	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			3	\$3,916,537	3	\$3,916,537	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$45,656,712		\$45,656,712	5
6 Job Retraining Credits	2001				\$3,872,601		\$3,872,601	6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995	23	\$349,712	4	\$69,027	27	\$418,739	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	0	\$0	1	\$21,991	1	\$21,991	10
11								11
<b>12 General Business Credits</b>								<b>12</b>
13 Credit for Investing in an Economic Impact Zone	1995	93	\$20,543,279	36	\$885,075	129	\$21,428,354	13
14 Corporate Headquarters Credit	1995	6	\$921,768			6	\$921,768	14
15 Credit for Infrastructure Construction	1995	3	\$124,250			3	\$124,250	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995	0	\$0	106,100	\$15,175,780	106,100	\$15,175,780	19
20 Minority Business Credit	1995	5	\$49,994	9	\$49,985	14	\$99,979	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								<b>24</b>
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			0	\$0	0	\$0	28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								<b>34</b>
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002			0	\$0	0	\$0	37
38								38
<b>39 Land Conservation or Environmental Credits</b>								<b>39</b>
40 Conservation Credit	2000			81	\$1,384,241	81	\$1,384,241	40
41 Credit for Water Impoundments and Water Controls	1995	1	\$2,500	1	\$137,487	2	\$139,987	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995	0	\$0			0	\$0	44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								<b>47</b>
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-7. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2002-03 (Tax Year 2002)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995	1	\$2,500	1	\$74,853	2	\$77,353
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000			12	\$2,957	12	\$2,957
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995	0	\$0	0	\$0	0	\$0
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>228</b>	<b>\$58,617,396</b>	<b>106,372</b>	<b>\$75,520,895</b>	<b>106,600</b>	<b>\$134,138,291</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$152,138,291</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-8. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2001-02 (Tax Year 2001)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax		Individual Income Tax		Total Income Tax		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995	133	\$33,055,029	124	\$4,273,649	257	\$37,328,678	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			2	\$3,096,479	2	\$3,096,479	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$41,945,510		\$41,945,510	5
6 Job Retraining Credits	2001				\$4,514,494		\$4,514,494	6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995	26	\$471,472	4	\$69,027	30	\$540,499	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	0	\$0	1	\$21,991	1	\$21,991	10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995	199	\$28,957,762	36	\$885,075	235	\$29,842,837	13
14 Corporate Headquarters Credit	1995	4	\$583,601			4	\$583,601	14
15 Credit for Infrastructure Construction	1995	5	\$329,445			5	\$329,445	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995	0	\$0	106,100	\$15,175,780	106,100	\$15,175,780	19
20 Minority Business Credit	1995	3	\$42,522	9	\$49,985	12	\$92,507	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			0	\$0	0	\$0	28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995	1	\$2,500	1	\$137,487	2	\$139,987	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995	0	\$0			0	\$0	44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-8. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2001-02 (Tax Year 2001)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995	0	\$0	1	\$74,853	1	\$74,853
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000						
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995	1	\$150,000	0	\$0	1	\$150,000
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>372</b>	<b>\$63,592,331</b>	<b>106,278</b>	<b>\$70,244,330</b>	<b>106,650</b>	<b>\$133,836,661</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						<b>\$18,000,000</b>
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$151,836,661</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-9. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2000-01 (Tax Year 2000)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax		Individual Income Tax		Total Income Tax		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995	131	\$34,099,596	188	\$2,950,637	319	\$37,050,233	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			3	\$3,144,740	3	\$3,144,740	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$29,932,906		\$29,932,906	5
6 Job Retraining Credits	2001				\$6,340,915		\$6,340,915	6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995	32	\$1,059,508	81	\$95,060	113	\$1,154,568	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995	0	\$0	2	\$874	2	\$874	10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995	99	\$37,282,249	155	\$978,897	254	\$38,261,146	13
14 Corporate Headquarters Credit	1995	6	\$3,765,726			6	\$3,765,726	14
15 Credit for Infrastructure Construction	1995	6	\$680,733			6	\$680,733	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995	0	\$0	106,315	\$15,196,354	106,315	\$15,196,354	19
20 Minority Business Credit	1995	6	\$65,533	13	\$32,959	19	\$98,492	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			1	\$285	1	\$285	28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995	0	\$0	12	\$11,912	12	\$11,912	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995	0	\$0			0	\$0	44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-9. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 2000-01 (Tax Year 2000)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995	0	\$0	93	\$86,388	93	\$86,388
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000						
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995	0	\$0	3	\$1,846	3	\$1,846
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		<b>280</b>	<b>\$76,953,345</b>	<b>106,866</b>	<b>\$58,773,773</b>	<b>107,146</b>	<b>\$135,727,118</b>
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$153,727,118</b>

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-10. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1999-00 (Tax Year 1999)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995		\$3,198,699	164	\$2,664,304	164	\$5,863,003	2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			9	\$2,822,902	9	\$2,822,902	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995				\$18,909,670		\$18,909,670	5
6 Job Retraining Credits	2001				\$6,764,469		\$6,764,469	6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995		\$51,607	24	\$312,687	24	\$364,294	8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995		\$20	2	\$1,043	2	\$1,063	10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995		\$2,519,238	73	\$254,949	73	\$2,774,187	13
14 Corporate Headquarters Credit	1995		\$0			0	\$0	14
15 Credit for Infrastructure Construction	1995		\$0			0	\$0	15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995		\$0	104,469	\$14,383,938	104,469	\$14,383,938	19
20 Minority Business Credit	1995		\$19,884	10	\$20,768	10	\$40,652	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998			1	\$114	1	\$114	28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995		\$109,903	70	\$115,619	70	\$225,522	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995							44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-10. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1999-00 (Tax Year 1999)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
52 Ethanol or Biodiesel Research and Development Credit	2007							52
53 Biomass Resources Credit	2006							53
54 Credit for Renewable Fuels	2006							54
55 Credit for Energy Conservation and Renewable Energy	1995		\$103,910	84	\$86,454	84	\$190,364	55
56								56
57 <b>Investments/Contributions to Other Entities Incentives</b>								57
58 Community Development Corporation Investment Credit	2000							58
59 Venture Capital Investment	2004							59
60 Palmetto Seed Capital Credit	1995		\$0	1	\$25	1	\$25	60
61 Industry Partnership Fund Tax Credit	2006							61
62 Hydrogen Fund Tax Credit	2007							62
63								63
64								64
65 <b>Total Tax Incentives for Economic Development</b>		0	\$6,003,261	104,907	\$46,336,941	104,907	\$52,340,202	65
66								66
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000	67
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005							68
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004							69
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>								70
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>								71
72								72
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>								73
74								74
75 <b>Appropriation: Community Development Corporation Initiatives</b>								75
76								76
77 <b>Total Economic Incentives for Economic Development</b>							\$70,340,202	77

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-11. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1998-99 (Tax Year 1998)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995							2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			9	\$2,407,663	9	\$2,407,663	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995							5
6 Job Retraining Credits	2001							6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995							8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995							10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995							13
14 Corporate Headquarters Credit	1995							14
15 Credit for Infrastructure Construction	1995							15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995			105,366	\$14,268,319	105,366	\$14,268,319	19
20 Minority Business Credit	1995			10	\$16,613	10	\$16,613	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998							28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995			78	\$130,154	78	\$130,154	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995							44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-11. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1998-99 (Tax Year 1998)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995			78	\$67,008	78	\$67,008
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000						
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995			0	\$0	0	\$0
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		0	\$0	105,541	\$16,889,757	105,541	\$16,889,757
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							\$34,889,757

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-12. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1997-98 (Tax Year 1997)**  
(Dollars)

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995							2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			4	\$1,970,277	4	\$1,970,277	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995							5
6 Job Retraining Credits	2001							6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995							8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995							10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995							13
14 Corporate Headquarters Credit	1995							14
15 Credit for Infrastructure Construction	1995							15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995			109,754	\$15,011,855	109,754	\$15,011,855	19
20 Minority Business Credit	1995			12	\$25,341	12	\$25,341	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998							28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995			96	\$134,301	96	\$134,301	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995							44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-12. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1997-98 (Tax Year 1997)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						52
53 Biomass Resources Credit	2006						53
54 Credit for Renewable Fuels	2006						54
55 Credit for Energy Conservation and Renewable Energy	1995			77	\$73,482	77	\$73,482
56							56
57 <b>Investments/Contributions to Other Entities Incentives</b>							57
58 Community Development Corporation Investment Credit	2000						58
59 Venture Capital Investment	2004						59
60 Palmetto Seed Capital Credit	1995			0	\$0	0	\$0
61 Industry Partnership Fund Tax Credit	2006						61
62 Hydrogen Fund Tax Credit	2007						62
63							63
64							64
65 <b>Total Tax Incentives for Economic Development</b>		0	\$0	109,943	\$17,215,256	109,943	\$17,215,256
66							66
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995					\$18,000,000	67
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						68
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						69
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							70
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							71
72							72
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							73
74							74
75 <b>Appropriation: Community Development Corporation Initiatives</b>							75
76							76
77 <b>Total Economic Incentives for Economic Development</b>						\$35,215,256	77

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-13. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1996-97 (Tax Year 1996)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995							2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			3	\$613,200	3	\$613,200	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995							5
6 Job Retraining Credits	2001							6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995							8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995							10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995							13
14 Corporate Headquarters Credit	1995							14
15 Credit for Infrastructure Construction	1995							15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995			108,501	\$14,625,773	108,501	\$14,625,773	19
20 Minority Business Credit	1995			9	\$34,471	9	\$34,471	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998							28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995			96	\$144,285	96	\$144,285	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995							44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-13. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1996-97 (Tax Year 1996)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
52 Ethanol or Biodiesel Research and Development Credit	2007							52
53 Biomass Resources Credit	2006							53
54 Credit for Renewable Fuels	2006							54
55 Credit for Energy Conservation and Renewable Energy	1995			69	\$65,903	69	\$65,903	55
56								56
57 <b>Investments/Contributions to Other Entities Incentives</b>								57
58 Community Development Corporation Investment Credit	2000							58
59 Venture Capital Investment	2004							59
60 Palmetto Seed Capital Credit	1995			0	\$0	0	\$0	60
61 Industry Partnership Fund Tax Credit	2006							61
62 Hydrogen Fund Tax Credit	2007							62
63								63
64								64
65 <b>Total Tax Incentives for Economic Development</b>		0	\$0	108,678	\$15,483,632	108,678	\$15,483,632	65
66								66
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000	67
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005							68
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004							69
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>								70
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>								71
72								72
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>								73
74								74
75 <b>Appropriation: Community Development Corporation Initiatives</b>								75
76								76
77 <b>Total Economic Incentives for Economic Development</b>							\$33,483,632	77

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-14. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1995-96 (Tax Year 1995)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
<b>1 Job or Employee Credits and Incentives</b>							
2 Job Tax Credit	1995						1
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			2	\$508,500	2	\$508,500
4 Small Business Job Tax Credit	2006						4
5 Job Development Credits	1995						5
6 Job Retraining Credits	2001						6
7 Tax Moratorium	2000						7
8 Credit for Hiring Family Independence Recipient	1995						8
9 Apprenticeship Credit	2007						9
10 Credit for Hiring Displaced Workers	1995						10
11							11
<b>12 General Business Credits</b>							
13 Credit for Investing in an Economic Impact Zone	1995						13
14 Corporate Headquarters Credit	1995						14
15 Credit for Infrastructure Construction	1995						15
16 Credit Against Licensee Fee for Infrastructure	1996						16
17 Research and Development Credit	2000						17
18 Port Volume Increase Credit	2005						18
19 Credit for Child Care Programs	1995			107,806	\$14,180,069	107,806	\$14,180,069
20 Minority Business Credit	1995			11	\$26,630	11	\$26,630
21 Quality Improvement Program Credits	2005						21
22 Fire Sprinkler System Credit	2007						22
23							23
<b>24 Industry Specific Credits</b>							
25 Motion Picture Project Credit	1998						25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004						26
27							27
28 Motion Picture Production Facility Credit	1998						28
29 Commercial Production Credit	2004						29
30 Milk Producer Credit	2005						30
31 Agricultural Use of Anhydrous Ammonia Credit	2005						31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006						32
33							33
<b>34 Property Rehabilitation Credits</b>							
35 Textile Revitalization Credits	2005						35
36 Retail Facility Revitalization Credits	2006						36
37 Credit for Rehabilitation of a Certified Historic Structure	2002						37
38							38
<b>39 Land Conservation or Environmental Credits</b>							
40 Conservation Credit	2000						40
41 Credit for Water Impoundments and Water Controls	1995			86	\$122,368	86	\$122,368
42 Habitat Management Credit	1999						42
43 Brownfields Voluntary Cleanup Credit	2002						43
44 Recycling Facility Tax Credits	1995						44
45 Mercury Switch Disposal Credit	2006						45
46							46
<b>47 Energy Conservation and Alternative Energy Credits</b>							
48 Solar Energy Credit	2006						48
49 Alternative Motor Vehicle Credit	2006						49
50 Plug-in Hybrid Vehicle Credit	2006						50
51 Ethanol or Biodiesel Production Credits	2006						51

**Table A-14. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1995-96 (Tax Year 1995)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers	
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits
52 Ethanol or Biodiesel Research and Development Credit	2007						
53 Biomass Resources Credit	2006						
54 Credit for Renewable Fuels	2006						
55 Credit for Energy Conservation and Renewable Energy	1995			88	\$75,498	88	\$75,498
56							
57 <b>Investments/Contributions to Other Entities Incentives</b>							
58 Community Development Corporation Investment Credit	2000						
59 Venture Capital Investment	2004						
60 Palmetto Seed Capital Credit	1995			2	\$2,560	2	\$2,560
61 Industry Partnership Fund Tax Credit	2006						
62 Hydrogen Fund Tax Credit	2007						
63							
64							
65 <b>Total Tax Incentives for Economic Development</b>		0	\$0	107,995	\$14,915,625	107,995	\$14,915,625
66							
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005						
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004						
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>							
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>							
72							
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>							
74							
75 <b>Appropriation: Community Development Corporation Initiatives</b>							
76							
77 <b>Total Economic Incentives for Economic Development</b>							\$32,915,625

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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**Table A-15. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1994-95 (Tax Year 1994)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
<b>1 Job or Employee Credits and Incentives</b>								1
2 Job Tax Credit	1995							2
3 Job Tax Credit (Against Insurance Premium Taxes)	1992			2	\$162,300	2	\$162,300	3
4 Small Business Job Tax Credit	2006							4
5 Job Development Credits	1995							5
6 Job Retraining Credits	2001							6
7 Tax Moratorium	2000							7
8 Credit for Hiring Family Independence Recipient	1995							8
9 Apprenticeship Credit	2007							9
10 Credit for Hiring Displaced Workers	1995							10
11								11
<b>12 General Business Credits</b>								12
13 Credit for Investing in an Economic Impact Zone	1995							13
14 Corporate Headquarters Credit	1995							14
15 Credit for Infrastructure Construction	1995							15
16 Credit Against Licensee Fee for Infrastructure	1996							16
17 Research and Development Credit	2000							17
18 Port Volume Increase Credit	2005							18
19 Credit for Child Care Programs	1995			107,377	\$13,853,566	107,377	\$13,853,566	19
20 Minority Business Credit	1995			6	\$20,821	6	\$20,821	20
21 Quality Improvement Program Credits	2005							21
22 Fire Sprinkler System Credit	2007							22
23								23
<b>24 Industry Specific Credits</b>								24
25 Motion Picture Project Credit	1998							25
26 Motion Picture Wage/Payroll and Expenditure/Supplier Rebate	2004							26
27								27
28 Motion Picture Production Facility Credit	1998							28
29 Commercial Production Credit	2004							29
30 Milk Producer Credit	2005							30
31 Agricultural Use of Anhydrous Ammonia Credit	2005							31
32 Whole Effluent Toxicity Testing Credit for Manufacturing Facility	2006							32
33								33
<b>34 Property Rehabilitation Credits</b>								34
35 Textile Revitalization Credits	2005							35
36 Retail Facility Revitalization Credits	2006							36
37 Credit for Rehabilitation of a Certified Historic Structure	2002							37
38								38
<b>39 Land Conservation or Environmental Credits</b>								39
40 Conservation Credit	2000							40
41 Credit for Water Impoundments and Water Controls	1995			87	\$122,960	87	\$122,960	41
42 Habitat Management Credit	1999							42
43 Brownfields Voluntary Cleanup Credit	2002							43
44 Recycling Facility Tax Credits	1995							44
45 Mercury Switch Disposal Credit	2006							45
46								46
<b>47 Energy Conservation and Alternative Energy Credits</b>								47
48 Solar Energy Credit	2006							48
49 Alternative Motor Vehicle Credit	2006							49
50 Plug-in Hybrid Vehicle Credit	2006							50
51 Ethanol or Biodiesel Production Credits	2006							51

**Table A-15. Tax Incentives for Economic Development in South Carolina**  
**Corporate and Individual Income Tax Credits Claimed / Rebates / Transfers / Appropriations**  
**Fiscal Year 1994-95 (Tax Year 1994)**  
**(Dollars)**

Category / Item	Year Enacted	Corporate Income Tax Taxpayers		Individual Income Tax Taxpayers		Total Income Tax Taxpayers		
		Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	Filing Credits	Amount of Credits	
52 Ethanol or Biodiesel Research and Development Credit	2007							52
53 Biomass Resources Credit	2006							53
54 Credit for Renewable Fuels	2006							54
55 Credit for Energy Conservation and Renewable Energy	1995			87	\$103,031	87	\$103,031	55
56								56
57 <b>Investments/Contributions to Other Entities Incentives</b>								57
58 Community Development Corporation Investment Credit	2000							58
59 Venture Capital Investment	2004							59
60 Palmetto Seed Capital Credit	1995			1	\$9	1	\$9	60
61 Industry Partnership Fund Tax Credit	2006							61
62 Hydrogen Fund Tax Credit	2007							62
63								63
64								64
65 <b>Total Tax Incentives for Economic Development</b>		<b>0</b>	<b>\$0</b>	<b>107,560</b>	<b>\$14,262,687</b>	<b>107,560</b>	<b>\$14,262,687</b>	65
66								66
67 <b>Transfer: Gasoline Tax to Department of Commerce</b>	1995						\$18,000,000	67
68 <b>Transfer: Electric Power Tax to Department of Commerce</b>	2005							68
69 <b>Transfer: Admissions Tax to Department of Commerce</b>	2004							69
70 <b>Appropriation: "Closing Fund" for Department of Commerce</b>								70
71 <b>Appropriation: Capital Access Program for Department of Commerce</b>								71
72								72
73 <b>Appropriation: Alternative Fuel Incentives to Department of Revenue</b>								73
74								74
75 <b>Appropriation: Community Development Corporation Initiatives</b>								75
76								76
77 <b>Total Economic Incentives for Economic Development</b>							<b>\$32,262,687</b>	77

Sources: Board of Economic Advisors from information provided by the S.C. Department of Revenue, the S.C. Department of Insurance, and Legislative Printing, Information and Technology Resources.

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