

RESEARCH EXPENSES CREDIT

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Name	SSN or FEIN
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Name and FEIN of the pass-through entity making research expenses if the credit was received from a Partnership or S Corporation

1. Qualified research expenses made in South Carolina. . . . .	1. \$ _____
2. Multiply line 1 by 5% (.05). This is the credit earned this year . . . . .	2. \$ _____
3. Research expenses credit carried forward from previous years (attach schedule). . . . .	3. \$ _____
4. Total research expenses credit before limitations (add line 2 and line 3) . . . . .	4. \$ _____
5. Tax liability before claiming credits. . . . .	5. \$ _____
6. Total of all credits other than the research expenses credit . . . . .	6. \$ _____
7. Subtract line 6 from line 5 (if less than zero, enter zero). . . . .	7. \$ _____
8. Multiply line 7 by 50% (0.5) . . . . .	8. \$ _____
9. Enter the lesser of line 4 or line 8 . . . . . This is the amount of research expenses credit you may use this year.	9. \$ _____
10. Subtract line 9 from line 4 . . . . . Unused research expenses credit may be carried forward for up to 10 years.	10. \$ _____

INSTRUCTIONS

A taxpayer claiming a federal Income Tax credit for research expenses under Internal Revenue Code (IRC) Section 41 may claim a credit against Individual or Corporate Income Tax and Corporate License Fees. The credit is 5% of the qualified research expenses, as defined by IRC 41(b), made by the taxpayer in South Carolina during the tax year.

If you receive this credit from a Partnership, S Corporation, or LLC, enter the name and FEIN of the pass-through entity who made the qualifying research expense. On line 2, enter the amount of research expenses credit included on your SC K-1.

The credit taken in any tax year may not exceed 50% of the taxpayer's tax liability remaining after all other credits are applied. Any unused credit can be carried forward for up to 10 years. See SC Code Section 12-6-3415 at [dor.sc.gov/policy](http://dor.sc.gov/policy) to learn more about the credit.

If you file by paper, attach to your Income Tax return. If you file electronically, keep a copy with your tax records.

Social Security Privacy Act Disclosure

It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 42 U.S.C. 405(c)(2)(C)(i) permits a state to use an individual's Social Security Number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the SCDOR is limited to the information necessary for the SCDOR to fulfill its statutory duties. In most instances, once this information is collected by the SCDOR, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.