



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
Formerly Incarcerated
Apprenticeship Credit

Name SSN or FEIN

If credit was received from a pass-through entity, name and FEIN of entity

Table with 3 columns: (A) Number of employees, (B) Credit amount, (C) Total credit. Rows include Year One, Year Two, Year Three, Total credit amount, Current year tax liability, and Available credit.

INSTRUCTIONS

Taxpayers who hire a formerly incarcerated individual in a registered apprenticeship validated by the US Department of Labor may qualify for a tax credit against Corporate or Individual Income Tax, Bank Tax, Savings and Loan Tax, Corporate License Fee, or Insurance Premium Tax.

The credit is first earned in the year the formerly incarcerated individual completes their 12th consecutive month of employment. You will be able to enter apprentices into the credit application on our free online tax portal at MyDORWAY.dor.sc.gov only after they have completed 12 months of employment.

You can claim the credit for up to three years of employment. The credit amount per eligible employee is:

- \$3,000 for the first year of employment
\$2,500 for the second year of employment
\$1,000 for the third year of employment

You must complete a new application on MyDORWAY for each tax year in which you are claiming the credit.

The credit may only be claimed for an eligible individual once, regardless of the employer. You can use the tool available at MyDORWAY.dor.sc.gov to check if another employer has already claimed an individual.

LINE INSTRUCTIONS

Line 1: Enter the number of qualifying individuals who have completed at least 12 consecutive months of employment, but less than 24 months.

Line 2: Enter the number of qualifying individuals who have completed at least 24 consecutive months (two years) of employment, but less than 36 months.

Line 3: Enter the number of qualifying individuals who have completed at least 36 consecutive months (three years) of employment, but less than 48 months.

Individuals cannot be claimed for the credit beyond the third year.

Line 4: Add line 1 through line 3 for your total credit amount for this tax year. This total should equal the totals from the acknowledgment letters you received after entering qualifying employees into the MyDORWAY application.

If you are receiving this credit from a pass-through entity, enter the credit amount shown on the SC K-1 you received from the entity. Enter the name and FEIN of the pass-through entity at the top of this form. You are not required to complete line 1 through line 3 if you are receiving the credit from a pass-through entity.

Line 5: Enter the current year tax liability from your tax return.

Line 6: Enter the lesser of your total credit on line 4 or your tax liability on line 5. The credit you can claim in a year is limited to your tax liability.

Unused credits cannot be carried forward to future years.

For more information about this credit, see SC Code Section 12-6-3710 and SC Revenue Ruling 23-2, available at dor.sc.gov/policy.

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.