



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**AGRIBUSINESS CREDIT  
AGAINST EMPLOYEE WITHHOLDING**

**WH-1671**  
(Rev. 1/17/19)  
3565

BUSINESS NAME AND ADDRESS

SC WITHHOLDING NO.

QUARTER

1st Quarter  
 2nd Quarter  
 3rd Quarter  
 4th Quarter

FEIN

YEAR \_\_\_\_\_

**Use this form to claim the credit against employee withholding.  
Use TC-61 if claiming an income tax credit.**

**Part I. Withholding**

Use your quarterly withholding return to complete this section.

- 1. SC state income tax withholding reported in the quarterly withholding return 1. \_\_\_\_\_
- 2. Total SC state income tax payments as reported in the quarterly withholding return 2. \_\_\_\_\_
- 3. SC Refund claimed in the quarterly withholding return (if applicable) 3. \_\_\_\_\_
- 4. **Net Available Withholding** (Line 2 - Line 3) 4. \_\_\_\_\_
- 5. Amount of non-employee (1099) withholding reported on the current quarterly withholding return 5. \_\_\_\_\_
- 6. Current available employee (W-2) withholding for Agribusiness Withholding Credit (Line 4 - Line 5) 6. \_\_\_\_\_

**Part II. Agribusiness Credit**

- 7. Enter the amount of credit against employee withholding certified as beginning in this quarter by the Coordinating Council for Economic Development. 7. \_\_\_\_\_
- 8. Amount of agribusiness carry forward from previous quarter. 8. \_\_\_\_\_
- 9. Available Agribusiness Credit for the current quarter (Line 7 + Line 8) 9. \_\_\_\_\_

**Part III. Refund Amount**

- 10. Lesser of Line 6 and Line 9 10. \_\_\_\_\_  
This is the amount of Agribusiness Credit refunded for the current quarter.

**Part IV. Carry Forward**

- 11. Amount of your unused credit (Line 9 - Line 10) 11. \_\_\_\_\_  
Unused Agribusiness Withholding Credits can be carried forward for up to 20 quarters.

When signing this form, it is important that the information contained in your report be correct and complete. To wilfully furnish a false or fraudulent statement to the Department is a crime. Complete all information below.

**Sign Here** Signature \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_  
Telephone ( ) - \_\_\_\_\_ Email \_\_\_\_\_ Title \_\_\_\_\_

**Mail to: SC Department of Revenue, Withholding, PO Box 125, Columbia, SC, 29214-0860**

## GENERAL INSTRUCTIONS

For tax years beginning after 2017 and ending before 2028, an agribusiness operation or an agricultural packaging operation, as defined in Section 12-6-3360, may claim a tax credit against employee withholding if the operation increases its purchases of agricultural products by a minimum of 15% in a single calendar year over its base year. The agricultural products purchased must have been certified as South Carolina grown by the South Carolina Department of Agriculture. This credit may be claimed against either Income Tax or Employee Withholding.

The amount and type of credit is determined by the Coordinating Council for Economic Development (Council). The Council has sole discretion in allocating credits and must consider the following factors:

- a. the amount of base year purchases of certified agricultural products;
- b. the total and percentage increase in purchases; and
- c. factors related to the economic benefit of the State or other factors.

A taxpayer may not be awarded a credit pursuant to this section in excess of \$100,000 in any tax year. The maximum amount of credits awarded to all taxpayers may not exceed the following for each calendar year: **2018** - \$500,000; **2019** - \$1,000,000; **2020** - \$1,500,000; After **2020** - \$2,000,000

To claim the credit, the taxpayer shall submit an application to the Council after each calendar year in which the increase in purchases of certified products occurs. Each application shall include a schedule with the following information and information requested by the Council or the Department:

- a. a description of how the base year purchases of certified agricultural products and the increase in purchases was determined;
- b. the amount of the base year purchases of certified agricultural products;
- c. the amount of the increase in purchases of certified agricultural products for the taxable year stated both as a percentage increase and as a total increase in purchases of certified agricultural products, including information which demonstrates an increase in purchases of certified agricultural products 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.

The Council may allocate credits on a monthly, quarterly, or annual basis.

The Department of Commerce, upon consultation with the Department of Agriculture, may establish guidelines necessary to ensure all applications, product certification record sheets, and checklists are accurately and effectively created and comply with the provisions of this section.

If a credit against Income Tax exceeds the taxpayer's Income Tax liability for the tax year, the excess amount may be carried forward for five years and used against Income Tax.

If a credit against Withholding Tax exceeds the taxpayer's Withholding Tax liability for the tax quarter, the excess amount may be carried forward for 20 quarters and used against Withholding Tax.

The Council shall submit a report to the General Assembly by March 1st of each year detailing the recipients of the credits, including the credit amount of each recipient.

### DEFINITIONS

**"Base year"** initially means the total dollar purchases of agricultural products certified as South Carolina grown during the period from January first through December thirty-first of the same year. However, the base year total dollar purchases must exceed one hundred thousand dollars for a taxpayer to be eligible for the credits provided in this section. For a taxpayer who does not meet the one hundred thousand dollar purchases requirement in the year ending December thirty-first of the previous year, including a taxpayer who locates in South Carolina after December thirty-first of the previous year, its base certified grown purchases must be measured by the initial January first through December thirty-first calendar year in which it meets the purchasing requirement. The base year must be recalculated each calendar year after the initial base year.

**"Agricultural packaging"** means the technology of enclosing or protecting or preserving agricultural products for distribution, storage, sale, and use. Packaging also refers to the process of design, evaluation, and production of packages used for agricultural products. Packaging can be described as a coordinated system of preparing agricultural goods for transport, warehousing, logistics, sale, and end use.

### Social Security Privacy Act

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 South Carolina Department of Revenue (SCDOR) shall provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.

### The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the 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.