



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**NONRESIDENT SHAREHOLDER OR PARTNER AFFIDAVIT  
AND AGREEMENT INCOME TAX WITHHOLDING**

I certify and agree to the following:

1. I am a nonresident shareholder or partner.

My name is: \_\_\_\_\_

2. My address is: \_\_\_\_\_  
Street address

\_\_\_\_\_  
City, state, and ZIP

3. My SSN or FEIN is: \_\_\_\_\_

4. The income this affidavit and agreement applies to is:

\_\_\_\_\_ Distributed or undistributed South Carolina income from an S Corporation.

\_\_\_\_\_ Distributed or undistributed South Carolina income from a Partnership.

5. Entity's name: \_\_\_\_\_

6. Entity's address: \_\_\_\_\_  
Street address

\_\_\_\_\_  
City, state, and ZIP

7. Entity's FEIN: \_\_\_\_\_

8. I agree to timely file appropriate returns and make payment of all South Carolina taxes required by law.

9. I agree that I am subject to the personal jurisdiction of the SCDOR and the courts of South Carolina for the purpose of determining and collecting any South Carolina taxes, including Estimated Taxes, together with any related interest and penalties.

10. This agreement will be binding upon my heirs, representatives, assigns, successors, executors, and administrators.

11. I understand the SCDOR may revoke the withholding exemption granted under SC Code Section 12-8-590(F) at any time it determines I am not abiding by the terms of this agreement.

I declare under penalty of perjury that I have examined this affidavit and that, to the best of my knowledge and belief, it is true, correct, and complete.

Under SC Code Section 12-54-44(B)(6)(a), a person who willfully makes and subscribes any return, statement, or other document that contains, or is verified by, a written declaration made under penalties of perjury that they do not believe to be true and correct as to every material matter is guilty of a felony and, upon conviction, must be fined not more than \$500 or imprisoned not more than five years, or both, together with the cost of prosecution.

\_\_\_\_\_  
Signature of shareholder or partner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name of shareholder or partner

## INSTRUCTIONS

### Requirement to Make Withholding Payments

SC Code Section 12-8-590 requires an S Corporation or Partnership to withhold taxes at the rate of 5% on each nonresident shareholder's or partner's share of South Carolina taxable income. There are several exceptions to the withholding requirements. An S Corporation or Partnership is **not** required to withhold Income Taxes with regard to any nonresident shareholder or partner (1) who submits an affidavit and agreement or (2) for which the S Corporation or Partnership reports their income on a composite nonresident Income Tax return.

### Purpose of Affidavit

The affidavit is used by a nonresident shareholder or partner to request an exemption from the withholding required pursuant to SC Code Section 12-8-590. Shareholders or partners who will be included in a composite Individual Income Tax return do not need to complete this affidavit.

### Who May Submit This Affidavit

Any nonresident shareholder or partner with South Carolina income from an S Corporation or Partnership may submit the agreement to the S Corporation or Partnership. Shareholders and partners whose income will be reported on a composite nonresident Income Tax return are automatically exempt from withholding and are not required to submit an affidavit to the S Corporation or Partnership. Any Income Tax due must be paid by the unextended due date of the composite nonresident Income Tax return and is subject to the declaration of Estimated Tax rules.

### Where and When to Submit This Affidavit

#### Shareholder or Partner Instructions:

A shareholder or partner should fully complete the affidavit and submit it directly to the S Corporation or Partnership. The affidavit should be signed by a shareholder of the S Corporation or a partner in the Partnership. A separate affidavit must be submitted by each shareholder or partner for stock that is jointly owned.

The affidavit is valid for all subsequent years and should not be resubmitted to the entity as long as (1) the shareholder's or partner's nonresident status remains unchanged or (2) the withholding exemption is not revoked by the SCDOR.

#### S Corporation or Partnership Instructions:

The S Corporation or Partnership must remit all affidavits to the SCDOR.

S Corporations should attach the affidavits to the SC1120S-WH (Withholding Tax on Income of Nonresident Shareholders) and file with the SCDOR on or before the 15th day of the third month following the close of the S Corporation's tax year.

Partnerships should attach the affidavits to the SC1065 (Partnership Return) or the SC8736 (Request for Extension of Time to File South Carolina Return for Fiduciary and Partnership) and file with the SCDOR on or before the 15th day of the third month following the close of the Partnership's tax year.

Affidavits remain valid for subsequent tax years and should only be filed with the SCDOR in the first year that the shareholder or partner submits an agreement to the entity.

For more information, see SC Revenue Procedure #17-2 at [dor.sc.gov/policy](http://dor.sc.gov/policy).

Learn more about Income Taxes at [dor.sc.gov/tax](http://dor.sc.gov/tax).

#### 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.