

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**CREDIT FOR EMPLOYERS HIRING RECIPIENTS
OF FAMILY INDEPENDENCE PAYMENTS**

Name	SSN or FEIN
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This credit is for employers who hire individuals who have received Family Independence payments for three months immediately preceding the month of hire. See instructions for additional requirements.

COMPUTATION OF TAX CREDIT

A. First 12 Months of Employment Occurring in the First Tax Year of Hire

- 1. Number of employees qualifying for the credit. 1. _____
- 2. Total qualifying wages paid to employees included in line 1 2. _____
- 3. Credit: Multiply line 2 by 20% (.20). 3. _____

B. First 12 Months of Employment Occurring in the Second Tax Year of Hire

- 1. Number of employees from line A1 remaining employed. 1. _____
- 2. Total qualifying wages paid to employees included in line B1 2. _____
- 3. Multiply line 2 by 20% (.20). 3. _____

Second 12 Months of Employment Occurring in the Second Tax Year of Hire

- 4. Total qualifying wages paid to employees included in line B1 4. _____
- 5. Multiply line 4 by 15% (.15). 5. _____
- 6. Credit: Add lines 3 and 5. 6. _____

C. Second 12 Months of Employment Occurring in the Third Tax year of Hire

- 1. Number of employees from line A1 remaining employed. 1. _____
- 2. Total qualifying wages paid to employees included in line C1 2. _____
- 3. Multiply line 2 by 15% (.15). 3. _____

Third 12 Months of Employment Occurring in the Third Tax Year of Hire

- 4. Total qualifying wages paid to employees included in line C1 4. _____
- 5. Multiply line 4 by 10% (.10) 5. _____
- 6. Credit: Add lines 3 and 5. 6. _____

D. Third 12 Months of Employment Occurring in the Fourth Tax Year of Hire

- 1. Number of employees from line A1 remaining employed 1. _____
- 2. Total qualifying wages paid to employees included in line D1. 2. _____
- 3. Credit: Multiply line 2 by 10% (.10) 3. _____

E. Summary

- 1. Enter amount from line A3. 1. _____
 - 2. Enter amount from line B6. 2. _____
 - 3. Enter amount from line C6. 3. _____
 - 4. Enter amount from line D3. 4. _____
 - 5. Total credit - Add lines 1 through 4 5. _____
- Enter here and on the SC1040TC or SC1120TC

INSTRUCTIONS

This credit combined with the jobs tax credit (TC-4), small business job tax credit (TC-4SB), or small business alternative job tax credit (TC-4SA) cannot total more than \$5,500 per employee.

The credit exists only for the first three consecutive years of employment of qualified employees.

This credit is limited to:

1. 20% of wages for each full month of the first 12 months of employment
2. 15% of wages for each full month of the second 12 months of employment
3. 10% of wages for each full month of the third 12 months of employment.

Qualifying wages include only those wages paid to employees who received Family Independence, Aid to Families with Dependent Children (AFDC) payments for three months immediately preceding the month of employment. Submit an employee release, and request certification of Family Independence eligibility by writing to the South Carolina Department of Social Services by the 15th day of the first month after the end of the taxable year in which the employee is hired.

To claim this credit, the employer must make health insurance available to the qualified employee on the same basis and under the same conditions available to all employees, including employer contributions and employer imposed waiting periods. The employer is not required to make health insurance payments on behalf of the qualified employee unless the employer makes health insurance payments on behalf of nonqualified employees. If an employer imposed waiting period exists, the credit begins from the date the qualified employee is hired. An employer imposing a waiting period of more than 12 months may not claim this credit.

The employer may not claim this credit 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.

This credit may be carried forward 15 years from the taxable year the credit is earned.

Example - A qualifying employee is hired June 10, 2017, earning \$1,500 per month. For a calendar year employer, the first year tax credit is 6 (number of full months of employment) x \$1,500 x 20% = \$1,800. If this same employee remains employed during all of 2018 at the same wage, the credit is computed as follows:

- | | |
|--------------------------|---------|
| 1. 6 x \$1,500 x 20% = | \$1,800 |
| 2. 6 x \$1,500 x 15% = | \$1,350 |
| 3. Total credit for 2018 | \$3,150 |

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.