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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

QUALIFIED RETIREMENT PLAN CONTRIBUTION CREDIT

SC SCH.TC-29
(Rev. 3/22/23)
3409

20 ______

Name

SSN

1. Total qualified retirement plan contributions taxed by another state . . . . 1. $ ________
2. Total taxes paid to another state on the contributions reported on line 1 . . . . 2. $ ________
3. Life expectancy from Appendix B of Publication 590-B, available at **irs.gov**, based on age at the time the South Carolina retirement deduction is first claimed . . . . 3. ________ years
4. Annual credit (divide line 2 by line 3). . . . . 4. $ ________
5. South Carolina credit limit (multiply line 1 by South Carolina's top marginal tax rate for the tax year the contributions were made) . . . . 5 $ ________
6. Total credit limit (enter the lesser of line 2 and line 5) . . . . 6. $ ________

The total amount of credit taken over your lifetime cannot be greater than the amount on line 6.

Instructions

Claim this credit if:

1. You lived in a state that taxed your retirement contributions at the time they were made into a qualified retirement plan; **and**
2. You are now a South Carolina resident reporting this retirement income and claiming the retirement deduction.

You are not eligible for this credit if you are a South Carolina resident making contributions to retirement plans in the current tax year.

The retirement plan must be:

1. A qualified retirement plan as defined in IRC Sections 401, 403, 408, and 457, including military retirement and all public employee retirement plans of federal, state, and local governments; and
2. A retirement plan you became vested in while residing in the other state.

Calculating the credit:

- The credit amount is based on your life expectancy at the time you first claim the retirement deduction on line p of your SC1040. Use the life expectancy table found in Appendix B of Publication 590-B, available at **irs.gov**.
- The total credit you can claim is limited to the amount of contributions taxed by the other state multiplied by South Carolina's top marginal rate for Individual Income Tax for the tax year in which the contributions were made.

See SC Code Section 12-6-510, available at **dor.sc.gov/policy**, for more information on South Carolina's top marginal Individual Income Tax rates.

Example: John Doe moved to South Carolina from State Y. He lived in State Y for four years. State Y taxed his IRA contributions for each of those years, even though the contributions were exempt on his federal returns.

Mr. Doe's W-2s for four years while a resident of State Y show the following amounts:

Tax Year	IRS Taxed	State Y Taxed	Difference	State Y Tax Rate	State Y Tax Paid
1	$45,000	$49,000	$4,000	2%	$80
2	$48,000	$53,000	$5,000	2.2%	$110
3	$51,000	$57,000	$6,000	2.4%	$144
4	$54,000	$61,000	$7,000	2.6%	$182
Total:			$22,000		$516

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Mr. Doe paid a total tax of $516 to State Y on his retirement contributions.

He is entitled to a credit based on his life expectancy at the time he first claims a retirement deduction. According to Appendix B of Publication 590-B, the life expectancy of someone his age is 32.3 years. Mr. Doe made the contributions before 2022, so he will use the South Carolina top marginal rate of 7% to calculate the credit limit. If any contributions were made in 2022 or later tax years, Mr. Doe will need to use the top marginal rate in place for the year in which the contributions were made.

Mr. Doe completes the TC-29 as follows:

1. Total qualified retirement plan contributions taxed by another state	1. $	22,000
2. Total taxes paid to another state on the contributions reported on line 1	2. $	516
3. Life expectancy from Appendix B of Publication 590-B, available at **irs.gov**, based on age at the time the South Carolina retirement deduction is first claimed	3.	32.3 years
4. Annual credit (divide line 2 by line 3)	4. $	16
5. South Carolina credit limit (multiply line 1 by South Carolina's top marginal tax rate for Individual Income Tax for the tax year the contributions were made) (For this example, 7%)	5. $	1,540
6. Total credit limit (enter the lesser of line 2 and line 5)	6. $	516

Mr. Doe's annual credit equals $516 (the total tax paid to State Y) divided by 32.3 (his life expectancy when he first claims the retirement deduction), or $16. Mr. Doe will take this $16 credit each year he has retirement income in South Carolina that was taxed to State Y when originally contributed, but the total amount of credits he takes over his lifetime cannot be greater than $516.

If filing a paper return, attach this form to your Income Tax return. If filing electronically, keep a copy with your tax records.