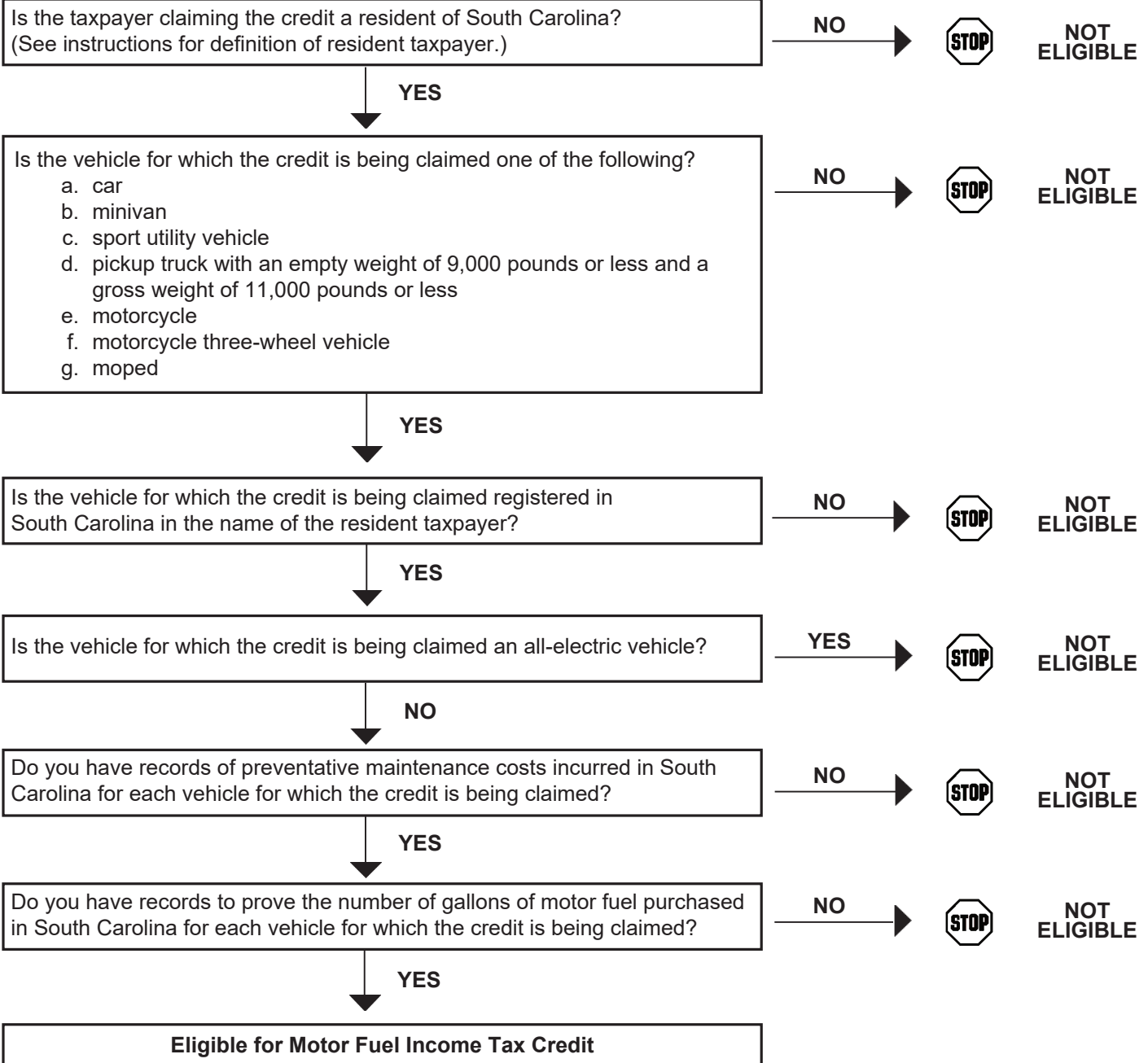




2021 MOTOR FUEL INCOME TAX CREDIT

RESIDENT TAXPAYER ELIGIBILITY FOR THE CREDIT

Use the chart below to determine your eligibility for the Motor Fuel Income Tax Credit. Each taxpayer may claim the credit for a maximum of two vehicles. Full instructions can be found on page 3.





STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE



dor.sc.gov

2021 MOTOR FUEL INCOME TAX CREDIT

I-385
(Rev. 3/15/21)
3722

Name

SSN/FEIN

PART I - VEHICLE INFORMATION

Vehicle 1		Vehicle 2	
Registered owner's name		Registered owner's name	
Make		Make	
Model		Model	
Year		Year	
SC license plate #		SC license plate #	
For a truck, is the empty weight 9,000 pounds or less and the gross weight 11,000 pounds or less? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, truck does not qualify for the credit		For a truck, is the empty weight 9,000 pounds or less and the gross weight 11,000 pounds or less? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, truck does not qualify for the credit	
Is this vehicle registered in the name of a sole proprietorship or disregarded LLC? If yes, check the box. <input type="checkbox"/>		Is this vehicle registered in the name of a sole proprietorship or disregarded LLC? If yes, check the box. <input type="checkbox"/>	
Did this vehicle replace a trade-in or totaled vehicle? If yes, check the box. <input type="checkbox"/>		Did this vehicle replace a trade-in or totaled vehicle? If yes, check the box. <input type="checkbox"/>	

PART II - PREVENTATIVE MAINTENANCE COSTS INCURRED IN SOUTH CAROLINA

(round to the nearest whole dollar)

	Vehicle 1 - Maintenance costs	Vehicle 2 - Maintenance costs
1. New tires	\$.00	\$.00
2. Oil changes	\$.00	\$.00
3. Regular maintenance	\$.00	\$.00
4. Other	\$.00	\$.00
5. Total (add line 1 through line 4)	\$.00	\$.00

PART III - INCREASE IN SOUTH CAROLINA MOTOR FUEL USER FEE

	Vehicle 1 - User fee increase	Vehicle 2 - User fee increase
6. Number of gallons of fuel purchased in SC		
7. Average motor fuel user fee increase for 2021	\$0.09	\$0.09
8. Total (multiply line 6 by line 7)	\$.00	\$.00

PART IV - MOTOR FUEL INCOME TAX CREDIT COMPUTATION

Vehicle 1		Vehicle 2	
9. Lesser of line 5 or line 8	\$.00	Lesser of line 5 or line 8	\$.00
10. Credit Adjustment Factor for 2021	1.000	Credit Adjustment Factor for 2021	1.000
11. Total vehicle credit (multiply line 9 by line 10)	\$.00	Total vehicle credit (multiply line 9 by line 10)	\$.00
12. Total Motor Fuel Income Tax Credit (add line 11 from Vehicle 1 and Vehicle 2)		\$.00	

Do not mail the I-385 separately. Attach to your Income Tax return.

INSTRUCTIONS

Use I-385 to claim a refundable Income Tax credit for the amount you paid during the tax year for:

- the increase in motor fuel user fee, or
- preventative maintenance costs

The credit is only available to South Carolina residents. Taxpayers may claim the credit for up to two vehicles. Expenses must have been incurred in South Carolina to qualify for the credit.

The following vehicles qualify for the credit:

- cars
- minivans
- sport utility vehicles
- pickup trucks with an empty weight of 9,000 pounds or less and a gross weight of 11,000 pounds or less
- motorcycles, including motorcycle three-wheel vehicles
- mopeds

All-electric vehicles are not eligible for the credit.

You must complete both Part II and Part III to be eligible for the credit. If you do not complete both Part II and Part III, or if you report zero in either Part II or Part III, you will not be eligible for the credit.

Recordkeeping

To claim the credit, keep records that prove:

- the date, amount, and type of preventative maintenance expenses incurred
- the number of gallons of motor fuel purchased

Keep separate records for each vehicle claimed.

Records to keep include gas receipts and paid maintenance invoices. You may use credit card statements if they show the number of gallons purchased during the year.

Do not submit your receipts and records with your return. Keep the documentation used to compute the credit as part of your tax records. You should **only** send your receipts and records to SCDOR if they are requested as part of a review of the tax credit claimed on your return.

Part I

Enter the make, model, year, and license plate number for each vehicle claimed. Vehicles must be registered in South Carolina in the taxpayer's name.

Combination of two vehicles: A taxpayer who owns or leases more than two vehicles during the tax year may choose a combination of any two to use when computing the credit but cannot claim the credit for more than two vehicles. Each year you can choose which qualifying vehicles to use for the credit.

Trade-in or total-loss vehicle: A taxpayer who trades in or totals an eligible vehicle (Vehicle A) and replaces it with another eligible vehicle (Vehicle B) can combine Vehicles A and B as one vehicle equivalent when computing the credit. Check the appropriate box to indicate that the vehicle replaced a trade-in or totaled vehicle. Enter the combined preventative maintenance costs and gallons purchased for Vehicles A and B in the Vehicle 1 column. If you have another qualifying vehicle, report it in the Vehicle 2 column.

Married filing jointly: Taxpayers who are married filing jointly should each complete a separate I-385. Each taxpayer can only claim the credit for vehicles registered in their name. One spouse cannot claim a vehicle registered in the name of the other spouse but can claim a vehicle that is registered in both names. Both spouses cannot claim the credit for the same vehicle. A married couple filing a joint return can claim the credit for up to four vehicles.

Sole proprietorship or disregarded limited liability company (LLC): If a vehicle is registered in the name of a sole proprietorship, the individual owner can claim the vehicle as one of their qualifying vehicles for the credit. If a vehicle is registered in the name of a disregarded single-member LLC, the individual, partnership, or corporate owner can claim the vehicle as one of their qualifying vehicles for the credit.

The owner may still only claim two total vehicles for the credit. The sole proprietorship or single-member LLC should not file an I-385 claiming the credit.

Part II

Enter actual preventative maintenance expenses for new tires, oil changes, regular maintenance, and other preventative maintenance in South Carolina during the tax year. If you are claiming the credit for two vehicles, complete both columns.

The following costs are **not** eligible for the credit:

- infrastructure maintenance fees paid when registering a vehicle
- license plate fees
- insurance
- property tax
- interest on vehicle loans
- costs reimbursed by insurance
- body and paint work

Part III

Enter the total number of gallons of gasoline, gasohol, diesel, or alternative fuel purchased in South Carolina during the tax year for the vehicles you are claiming the credit for. If you are claiming the credit for two vehicles registered in your name, complete both columns. Use the actual number of gallons purchased. Report all amounts to the nearest whole number.

Do not make any adjustments for:

- amounts deducted as an ordinary and necessary business expense
- amounts deducted as a miscellaneous itemized deduction
- mileage reimbursements provided by an employer

Alternative fuel includes compressed natural gas, liquefied petroleum gas, or liquefied natural gas. You must convert the product to gallon equivalents to determine the motor fuel user fee increase per gallon.

One gallon of motor fuel equals:

- 126.67 cubic feet of compressed natural gas
- 5.66 pounds of compressed natural gas if dispensed via a mass flow meter
- 1.3699 gallons of liquefied petroleum gas
- 6.06 pounds of liquefied natural gas

For more information, see SC Code Sections 12-28-120, 12-28-110(73), and 12-28-110(74), available at dor.sc.gov/policy.

Part IV

For each vehicle (Vehicle 1 and Vehicle 2), enter the lesser of the preventative maintenance costs or the increase in the motor fuel user fee paid in South Carolina during the year. Multiply the result by the Credit Adjustment Factor to determine the amount of credit for each vehicle. Add the total credit for Vehicle 1 and Vehicle 2 to get your total Motor Fuel Income Tax Credit. Enter the total here and on your Income Tax return.

See your Income Tax return for instructions on where to enter the Motor Fuel Income Tax Credit amount. You must include the completed I-385 with your Income Tax return.

Credit Adjustment Factor: This amount is provided by the Revenue and Fiscal Affairs Office to the SCDOR each year. The Factor is used to account for the maximum credit amount available to all taxpayers and allows all qualifying taxpayers an opportunity to receive a Motor Fuel Income Tax Credit. The Factor will be updated each year on the I-385.

Definitions

- **Resident taxpayer** is a resident individual, partnership, corporation, or other entity subject to South Carolina Income Tax or required to file an Income Tax return.
- **Resident individual** is an individual domiciled in South Carolina. A resident individual includes an individual who is a resident individual for a portion of the tax year (part-year resident).
- **Resident corporation** is a corporation whose principal place of business is located in South Carolina.
- **Resident partnership** is a partnership whose principal place of business is located in South Carolina

- **Private passenger motor vehicle** is a:
 - motor vehicle designed, used, and maintained for the transportation of 10 or fewer persons, or
 - truck having an empty weight of 9,000 pounds or less and a gross weight of 11,000 pounds or less
- **Motorcycle** is a motor vehicle with no more than two permanent functional wheels in contact with the ground or trailer and with a saddle for the rider's use. Motorcycle three-wheel vehicles and mopeds also qualify for the credit.
- **Non-qualifying vehicles** include:
 - trucks with empty weight over 9,000 pounds and gross weight over 11,000 pounds
 - tractors
 - travel trailers
 - boats
 - golf carts
 - all-terrain vehicles
 - all-electric vehicles.

For more information about the Motor Fuel Income Tax Credit, see South Carolina Revenue Ruling #17-6, available at dor.sc.gov/policy.

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.

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.