



2019 SC1040

INDIVIDUAL INCOME TAX

FORM AND INSTRUCTIONS

SOUTH CAROLINA DEPARTMENT OF REVENUE

DOR.SC.GOV

JANUARY 2020
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REMINDERS

The due date for filing your 2019 South Carolina Individual Income Tax return is April 15, 2020.

Find forms at dor.sc.gov/forms.

Mail returns to:

Refunds or zero tax:

SC1040 Processing Center
PO Box 101100
Columbia, SC 29211-0100

Balance due:

Taxable Processing Center
PO Box 101105
Columbia, SC 29211-0105

Make payments on MyDORWAY, our secure tax portal! Pay any balance due using our free tax portal, MyDORWAY. Visit dor.sc.gov/pay and select Individual Income Tax Payment to get started.

If you need more time to file your SC1040, visit dor.sc.gov/pay, select Individual Income Tax Payment, then select “Extension Payment” on the following screen. Your payment on MyDORWAY automatically submits your filing extension request—no additional paperwork required!

South Carolina Use Tax is due on purchases made outside of South Carolina for use, storage, or consumption in South Carolina, when the state Sales and Use Tax has not already been collected by the seller. Examples include purchases made online, when visiting another state, or through out-of-state catalog companies and home shopping networks. Use Tax can be paid on the SC1040 (line 26), online with your MyDORWAY account, or by completing the UT-3/UT-3W. A worksheet is included in the SC1040 Instructions to help you calculate and pay Use Tax.

Ready for your refund?

File online and choose direct deposit.

Visit dor.sc.gov/iit-filing for information on your electronic filing options. Free and low cost options are available!

- You may qualify to file online for free! Visit dor.sc.gov/services/free-file to find vendors and qualification information.
- South Carolina Fillable Forms is a free product that allows you to file a very simple return online or by mail. South Carolina Fillable Forms does not support all lines of the SC1040. Learn more at dor.sc.gov/services/sc-fillable.

Filing online is the quickest and most secure way to complete your South Carolina return.

You have until May 1, 2020 to file and pay any balance due if you use an online file and pay method!

This does not apply to federal returns or returns submitted on paper.

Whether you file online or by paper, direct deposit is a simple, secure, and safe way to receive your refund.

NEW FOR 2019

2019 LEGISLATIVE UPDATE – A list of significant changes in tax and regulatory laws and regulations enacted during the 2019 legislative session is available at dor.sc.gov/policy.

CONFORMITY – South Carolina recognizes the Internal Revenue Code as amended through December 31, 2018, unless otherwise provided. If adopted Internal Revenue Code sections that expired on December 31, 2017 or during 2018 are extended, but were otherwise not amended by congressional act during 2019, these sections will also be extended for South Carolina Income Tax purposes.

INCREASE IN SOUTH CAROLINA DEPENDENT EXEMPTION (line w of the SC1040) – The South Carolina dependent exemption amount for 2019 is \$4,190 and is allowed for each eligible dependent, including both qualifying children and qualifying relatives.

INCREASE IN MOTOR FUEL INCOME TAX CREDIT – The refundable Income Tax credit increased from 3 cents per gallon to 5 cents per gallon for 2019. Full or part-year resident taxpayers may claim the refundable credit for the lesser of the increase in South Carolina Motor Fuel User Fee they paid during 2019 or the preventative maintenance costs they incurred in South Carolina during the tax year. The credit is limited to two private passenger motor vehicles or motorcycles. To claim the credit, attach a completed I-385 to your return.

INCREASE IN EARNED INCOME TAX CREDIT – Full-year residents may claim the South Carolina Earned Income Tax Credit. For 2019, the non-refundable credit is equal to 41.67% of the Federal Earned Income Tax Credit allowed the taxpayer.

INCREASE IN TWO WAGE EARNER CREDIT – The maximum credit available for the Two Wage Earner Credit (claimed by a married couple filing jointly when both taxpayers have earned income taxed to South Carolina) has increased. For 2019, the credit is 0.7% of the lesser of \$36,667 or the South Carolina qualified earned income of the taxpayer with the lower qualified income for the taxable year.

2019 AMENDED SC1040 – Beginning with tax year 2019, if you need to amend your return, file a new SC1040 and check the Amended Return box on the front. Complete the return as it should have been filed, including all schedules and attachments. Complete the SCH AMD, Amended Return Schedule, and submit it with your amended SC1040. **For tax years 2018 and before, use the SC1040X** to amend your return. Do not use the SC1040 with the amended checkbox or the SCH AMD. Find forms at dor.sc.gov/forms.

BEFORE YOU FILE

Follow these guidelines to make sure your return is processed quickly and your refund is not delayed. Your return may be mailed back to you if you have not provided all the required information.

- Make sure you have received ALL of your W-2s and other tax documents.
- You need to have your correct Social Security Number. If you cannot get a Social Security Number, you need to apply for an Individual Taxpayer Identification Number from the IRS.
- Double check all Social Security Numbers, your name, address, and all of your calculations.
- Keep a copy of your complete return for your records.
- Documents and schedules (if needed) should be placed in the following order:
 1. W-2s
 2. 1099s with South Carolina Withholding
 3. SC1040 – ALL three pages
 4. SC1040NR Non-Resident Schedule
 5. SC1040TC Tax Credit
 6. I-319 Tuition Tax Credit
 7. I-385 Motor Fuel Income Tax Credit
 8. I-330 Contributions for Check-Offs
 9. Any other South Carolina forms and schedules
 10. Any federal forms and schedules

FOLLOW THESE GUIDELINES TO AVOID COMMON ERRORS THAT CAN LEAD TO DELAYS.

DO	DON'T
<ul style="list-style-type: none">✓ File online.✓ Use direct deposit.✓ Use the form for the correct tax year.✓ Include all Social Security Numbers and make sure they're correct.✓ Mark your filing status. Generally it will match your federal return.✓ Send all three pages of the SC1040 plus any other required document and schedules.✓ Attach your Schedule NR to your SC1040 and make sure you mark the NR box, if applicable.✓ Sign your return! If married and filing jointly, both taxpayers must sign.✓ Make sure your mailing address is complete and accurate.✓ Sign your check, make it payable to SCDOR, and make sure the wording matches the dollar amount.✓ Include SC Withholding on lines 16 for W-2s and line 20 for 1099s.✓ Attach SC1040TC if you claim a tax credit.	<ul style="list-style-type: none">✗ Claim the Two Wage Earner Credit, unless your filing status is married filing jointly.✗ Claim state withholding paid to another state.✗ Send additional copies of your return. If you file online, you don't need to submit a paper copy.✗ Use an SC1040X to change or correct your 2019 return. Instead file a SCH AMD and a new SC1040 with the amended return box checked. (see page 3)

TAX HELP

SCDOR Taxpayer Service Centers are located across the state. Visit dor.sc.gov/contact/in-person for locations and hours.

The SCDOR Taxpayer Advocate provides assistance for innocent spouse requests for SCDOR debts, certificates of tax compliance, and lottery compliance. If you have a general question or concern, you should first call 1-844-898-8542. If you receive a letter or notice, use the contact information provided on the notice.

Taxpayer Advocate: 803-898-5444 *Innocent Spouse:* 803-898-5199 *Compliance:* 803-898-8381

Volunteer Income Tax Assistance (VITA) provides free tax assistance to lower income taxpayers, those with disabilities, the elderly, and limited English speaking taxpayers who need assistance preparing their tax returns. Generally, those who receive these services cannot afford professional tax assistance. Volunteers are located throughout the state. Call 211 for more information.

Copies of prior year returns can be provided upon request. To request a copy of a prior year return, complete an SC4506, available at dor.sc.gov/forms. You may choose to have copies of your prior year returns mailed or emailed to you. Allow 30 days to receive mailed copies. Social Security Numbers will be partially redacted from all copies. You can submit your completed and signed SC4506 by:

- Email: RequestForCopies@dor.sc.gov
- Fax: 803-737-2934
- Mail: SCDOR, Request for Copies, PO Box 125, Columbia, SC 29214-0890

CONTACT INFORMATION

IIT Information
IITax@dor.sc.gov
1-844-898-8542

Hearing Impaired
800-735-8583

Refund Status
dor.sc.gov/refund
1-844-898-8542

Relay South Carolina
Voice: 800-735-2905
TTY: 800-735-8583

Copies of Returns
RequestForCopies@dor.sc.gov
Fax: 803-737-2934

Taxpayer Advocate
803-898-5444

INDIVIDUAL INCOME TAX FREQUENTLY ASKED QUESTIONS (Rev. 12/18/19)

3556

Do I need to file a South Carolina Income Tax return?

Resident taxpayers under age 65:

- Were you required to file a federal Income Tax return which included income taxable by South Carolina? (Residents of South Carolina are taxed on their entire income, regardless of where it was earned, unless specifically exempted by law.)
- Did you have South Carolina Income Tax withheld from your wages?

Resident taxpayers age 65 or older:

- Married filing jointly (both 65 or older) - Is your gross income greater than the federal gross income filing requirement amount plus \$30,000?
- Any other filing status - Is your gross income greater than the federal gross income filing requirement amount plus \$15,000?
- Did you have South Carolina Income Tax withheld from your wages?

Nonresidents:

- Did you have South Carolina Income Tax withheld from your wages?
- Do you have South Carolina gross income, including income from rental property, businesses, or other investments in South Carolina?

If you answered YES to any of these questions, file a South Carolina Income Tax return.

Am I a resident or a nonresident?

You are a South Carolina **resident**, even if you live outside of South Carolina, if all of the following are true:

1. your intention is to maintain South Carolina as your permanent home
2. South Carolina is the center of your financial, social, and family life
3. when you are away, you intend to return to South Carolina.

You are a **nonresident** if your permanent home is outside South Carolina all year and none of the above applies.

What is my residency status if I moved into or out of South Carolina during the tax year?

You are a part-year resident and may consider yourself a full-year resident or a nonresident.

- If you file as a full-year resident, file the SC1040. Report all your income as though you were a resident for the entire year. You will be allowed a credit for taxes paid on income taxed by South Carolina and another state. Complete the SC1040TC and attach a copy of the other state's Income Tax return.
- If you file as a nonresident, file SC1040 with Schedule NR. You will be taxed only on income earned while a resident in South Carolina and income from South Carolina sources. You will prorate your deductions. All personal service income earned in South Carolina must be reported.

You may choose the filing method that is most beneficial to you. This option is only available for the year you are a part-year resident.

How should I file if I am a nonresident of South Carolina but work in this state?

File SC1040 with Schedule NR. You will be taxed only on income earned in South Carolina and will prorate your deductions. All personal service income (wages, consulting, etc.) earned in South Carolina must be reported to this state.

How should I file if I am a full-year South Carolina resident but my spouse is not?

If you file a **joint** federal return, you must file a **joint** SC1040 with Schedule NR. You will report all income for the entire year to South Carolina. Your spouse will only report income earned in this state.

If you file **separate** federal returns, you must file a **separate** South Carolina return. Your spouse must also file a **separate** South Carolina return if they have income taxable by South Carolina.

What is my residency status if I am in the armed forces?

- If you enter the armed forces when you are a South Carolina resident, you keep your South Carolina residency status, even if you are absent from the state on military orders. You are subject to the same residency requirements as any other South Carolina resident and are required to file a South Carolina Income Tax return.
- If you are not a South Carolina resident but are stationed in this state by military orders, your military income is not subject to South Carolina tax. If you have other earned income subject to South Carolina tax, file SC1040 with Schedule NR. Your spouse may be exempt from South Carolina Income Tax on income from services performed in South Carolina under the Federal Military Spouses Residency Relief Act. See Schedule NR instructions at **dor.sc.gov/forms**.

Do I need to pay South Carolina Use Tax?

Use Tax applies to purchases of tangible personal property from out-of-state retailers for use, storage, or consumption in South Carolina. It includes purchases from online retailers, through out-of-state catalog companies, on home shopping networks, or when visiting another state. The Use Tax rate is the 6% state rate plus the applicable local Use Tax rate for the location where the tangible personal property will be used, stored, or consumed.

Report and pay your Use Tax on the SC1040, on the Use Tax Return (UT-3), or online using our free tax portal, MyDORWAY, at MyDORWAY.dor.sc.gov. If paying online through MyDORWAY, sign into your existing account or create an account to get started. See UT-3 instructions for additional information and Use Tax rates by county. You may be responsible for paying Use Tax even if you are not required to file the SC1040.

What is the due date of my return?

A return for calendar year 2019 is due by April 15, 2020.

A return for a fiscal year tax period is due by the 15th day of the fourth month following the close of your tax year. On the front of the return, complete the dates covered by the fiscal year.

If you file and pay electronically, you have until May 1, 2020 to submit your return and full payment without penalties or interest. If you don't file and pay by May 1, 2020, penalties and interest will be charged from the tax due date (April 15, 2020) until you file and pay. This does not apply to federal returns or returns submitted on paper.

How do I get more time to file?

If you need more time to file your South Carolina return:

- Request your extension to file by paying your balance due on our free tax portal, MyDORWAY, at dor.sc.gov/pay. Select Individual Income Tax Payment to get started. Your payment on MyDORWAY automatically submits your filing extension request. No additional form or paperwork is required. You must pay at least 90% of your state tax due with the extension request by April 15, 2020.
- If no Income Tax is due and you have been granted an extension of time to file your federal Income Tax return, we will accept a copy of the federal extension. You do not need to send us a copy of the federal form by the due date of the tax return.
- If you do not have a federal extension, you must file the SC4868, Request for Extension of Time to File, by April 15, 2020.
- When you file your return, mark the extension box on the front of the SC1040 to indicate you filed an extension.
- Enter any payments made with your extension request on line 18 of the SC1040.

Can I extend the time to pay my taxes?

An extension allows additional time to file your South Carolina tax return, but **not to pay any tax due**. You will be charged interest, at the prevailing federal rates, on any unpaid tax. Interest is applied from the original due date of the tax return to the date of payment. In addition to the interest, you will be charged a penalty of 0.5% per month for failure to pay at least 90% of the total tax due by the original due date. The penalty will be imposed on the difference between the amount paid with the extension and the tax to be paid for the period.

A Penalty and Interest Calculator is available on MyDORWAY, our free tax portal, at dor.sc.gov/calculator.

What are the penalties for failing to file a return or filing a fraudulent return?

Any person who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty up to \$10,000, imprisoned for up to five years, or both.

When will I get my refund?

You can check your current year refund status on our free tax portal, MyDORWAY, at dor.sc.gov/refund or by calling 1-844-898-8542. Returns filed early are usually processed faster than returns filed closer to April 15.

How do I file a return for a deceased taxpayer?

If a person received income during this tax year but died before filing a return, the South Carolina Income Tax return should be filed by their surviving spouse or by an executor or administrator. Use the same filing status that was used on the final federal Income Tax return. Mark the "check if deceased" box next to the decedent's Social Security Number. The due date for filing is the same as for federal purposes. In the signature area of the return, write "Filing as a surviving spouse," if applicable. A personal representative filing the return must sign in their official capacity and attach the SC1310, Statement of Person Claiming Refund Due a Deceased Taxpayer. Any refund will be issued to the decedent's surviving spouse or estate.

Do I need to round amounts on my return?

Round cents to the nearest whole dollar on your return and schedules. For amounts less than 50 cents, round down to 0. For amounts of 50-99 cents, round up to the next dollar. For example: \$2.15 becomes \$2; \$4.75 becomes \$5; and \$3.50 becomes \$4.

What tax records do I need to keep?

Keep a copy of your return and any schedules, worksheets, or statements used to prepare your return. Keep records that support an item of income or a deduction appearing on a tax return until the limitations period for the return runs out. The limitations period is generally three years from the date the return was filed or due to be filed, whichever is later.

Save any records concerning property, home, stocks, and business property you bought and may sell later. The records kept should show the purchase price, date, and related cost. For real property, records should show the cost and date of improvements. Your return may be audited by the IRS or the SCDOR. If audited, the law requires you to show proof of your income, expenses, and cost of assets.

What if I am audited by the IRS?

If you receive a refund or owe additional federal tax, file an amended SC1040, Individual Income Tax Return, after the federal audit report becomes final.

When should I file an amended return?

File an amended return if you were audited by the IRS or if you amended your federal tax return, unless there was no impact on your state return. An amended return is also necessary if you omitted income, claimed deductions or credits you were not entitled to, failed to claim deductions or credits you were entitled to, or changed your filing status.

You may apply for a refund on either an amended or delinquent return for any tax period which is open under the statute of limitations. A refund will not be issued for requests received beyond the limitations period.

In general, a claim for refund must be filed within three years from the date the return was filed or originally due or two years from the date the tax was paid. If a claim is filed within three years from when the return was filed or originally due, the refund is limited to the tax paid within the past three years plus the period of any extension. Withholding, Estimated Taxes, and amounts paid with extensions are considered to have been paid on the date the return was originally due.

If a claim is not filed within three years from the date when the return was filed or originally due, the refund is limited to tax paid during the past two years.

How do I file an amended return?

- **Beginning with tax year 2019**, file a new SC1040 and check the Amended Return box on the front. Complete the return as it should have been filed, including all schedules and attachments. Complete the SCH AMD, Amended Return Schedule, and submit it with your amended SC1040.
- **For tax years 2018 and before**, use the SC1040X to amend your return. Do not use the SC1040 or the SCH AMD. Forms are available at dor.sc.gov/forms.

Why was my refund adjusted?

The SCDOR assists other state agencies, institutions of higher learning, political subdivisions of the state, and the IRS in collecting overdue accounts. All or part of your refund can be sent directly to these claimant agencies if they notify us that you have a past-due account with them.

The SCDOR charges a \$25 administrative fee to complete a refund setoff. If any of your refund is sent to a claimant agency, the SCDOR will notify you in writing. If your refund exceeds the amount owed the claimant agency plus the administrative fee, the balance will be issued to you.

If you believe you do not owe the debt, the amount sent was incorrect, or the debt has already been paid, you must contact the claimant agency. Our written notification to you will include contact information for the claimant agency.

Do I need to file a Declaration of Estimated Tax?

You must file a Declaration of Estimated Tax if you expect to owe an Income Tax liability of \$100 or more with the filing of your SC1040.

Use the Estimated Tax Worksheet, found in the instructions of the SC1040ES, to compute your Estimated Tax for tax year 2020:

- If you are a resident of South Carolina, use your 2019 SC1040 as a basis for figuring your Estimated Tax.
- If you are a nonresident of South Carolina, use your 2019 SC1040 and Schedule NR as a basis to calculate the modified South Carolina taxable income to enter on line 3 of the worksheet.

Forms are available at dor.sc.gov/forms.

Exceptions to filing a Declaration of Estimated Tax:

- Farmers and commercial fishermen whose gross income from farming or fishing for 2019 or 2020 is at least two-thirds (66.67%) of their total gross income from all sources. Instead of making four quarterly Estimated Tax payments, farmers and commercial fishermen may choose to pay all of their Estimated Tax by January 15, 2021 or file their 2020 SC1040 and pay the total tax due by March 1, 2021
- Individuals whose prior year tax liability was \$0 for a full 12 months
- Nonresidents of South Carolina doing business in this state on a contract basis where the contract is more than \$10,000 and tax is withheld at 2% from each contract payment

What are the penalties for failing to pay Estimated Tax?

You may be charged a penalty if:

- you do not pay enough Estimated Tax.
- you do not make your payments by the due date and for the required amount.
- you do not pay at least 90% of the total tax due.

A penalty will not be charged if your underpayment results from personal service income earned in another state and tax was withheld by the other state.

You can avoid a penalty if you make timely Estimated Tax payments equal to 100% of the tax shown due on your SC1040 for the prior tax year (the 100% rule). You must have filed an SC1040 for the prior tax year, and it must have covered a 12-month year.

If the adjusted gross income on your prior year SC1040 was more than \$150,000, the 100% rule is adjusted to 110% of last year's tax liability. Calculate adjusted gross income by using federal guidelines and making South Carolina adjustments.

Refer to the SC2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, at dor.sc.gov/forms for more information on computing the underpayment penalty.

How do I file the Declaration of Estimated Tax?

File and pay online using our free tax portal, MyDORWAY, at dor.sc.gov/pay. Select Individual Income Tax Payment to get started. Do not mail the SC1040ES if you pay online.

If you pay by check, make your check payable to SCDOR. Include the SSN, tax year, and "2020 SC1040ES" in the memo. Do not send cash.

Mail your SC1040ES and payment to SCDOR, IIT Voucher, PO Box 100123, Columbia, SC 29202. Forms are available at dor.sc.gov/forms.

How do I change my name or address?

Complete the SC8822 to notify us of your new name or address. Save time and paper by completing this form on MyDORWAY, our free tax portal. Visit MyDORWAY.dor.sc.gov and sign in to your existing account or create an account to get started. To notify us by paper, find the SC8822 at dor.sc.gov/forms.

SC1040 INSTRUCTIONS 2019 (Rev. 1/2/2020)

Things you should know before you begin:

For tax year 2019, unless you have a valid extension, the due date is **April 15, 2020** and the deadline to claim a refund is April 17, 2023.

Complete your federal return before you begin your SC1040. You will need information from your federal return when preparing your South Carolina return.

The references to form numbers and line descriptions on federal Income Tax forms were correct at the time of printing. If they have changed and you are unable to determine the proper line to use, contact the SCDOR Individual Income Tax section at 1-844-898-8542 or by email at IITax@dor.sc.gov. Use these instructions as a guide when preparing your SC1040. They are not intended to cover all provisions of the law.

If you used federal schedules C, D, E, or F when filing your federal return or filed a Schedule NR, SC1040TC, I-319, or I-335 with your South Carolina return, attach a copy of your federal return and schedules to your South Carolina return.

Beginning with tax year 2019, if you need to amend your return, file a new SC1040 and check the Amended Return box on the front. Complete the return as it should have been filed, including all schedules and attachments. Complete the SCH AMD, Amended Return Schedule, and submit it with your amended SC1040. **For tax years 2018 and before**, use the SC1040X to amend your return. Find forms at dor.sc.gov/forms.

Social Security Number, name, and address:

Enter your Social Security Number. Check the box if the taxpayer is deceased.

Enter your name, mailing address, and the county code of the county where you live. You can find a list of county codes on page 16. Check the box to let us know if this is a new address for you. **To avoid delays, be sure your mailing address is complete and accurate on your return.**

For a foreign address, check the box to let us know the address is outside the US. Print or type the complete foreign address including postal code.

If you are married and filing a joint return, enter your spouse's name and Social Security Number. Check the box if the taxpayer is deceased.

If you are married and filing separate returns, **do not include your spouse's name or Social Security Number in this section. Enter your spouse's Social Security Number next to box 3 in the filing status section.**

Social Security Privacy Act Disclosure

It is mandatory that you provide your Social Security Number on this tax form. 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 and to process any refund due you.

Individual Taxpayer Identification Number (ITIN)

If you are a nonresident or resident alien and cannot get a Social Security Number, contact the IRS to apply for an Individual Taxpayer Identification Number (ITIN) for the purpose of filing Income Tax returns. South Carolina will accept this number in place of a Social Security Number to process your Individual Income Tax returns. For more information, contact the IRS at 1-800-829-1040 or visit irs.gov. We cannot accept your return for processing without complete Social Security Numbers or ITINs.

Check boxes:

If you are filing an amended SC1040 for 2019, check the **Amended Return** box. Complete the return as it should have been filed. Complete the SCH AMD and submit it with your amended SC1040. **The amended return cannot be processed without SCH AMD.**

If you are a nonresident for the entire year or a part-year resident electing to file as a nonresident, check the box and attach Schedule NR to the completed SC1040. **Do not submit the Schedule NR separately.**

If you are filing a composite return for a partnership or S corporation, check the box. See the I-348 Composite Instructions at dor.sc.gov/forms for more information on filing a composite return. **Do not check the box if you are an individual.**

If you filed a federal or state extension, check the box.

If you served in a Military Combat Zone during the filing period, check the box and enter the combat zone.

Filing status

Choose the same filing status as you used on your federal return. **Check only one box.**

Dependent exemption

You can take a South Carolina dependent exemption for each eligible dependent, including both qualifying children and qualifying relatives. Enter the total number of eligible dependents. The total number of dependents claimed on your South Carolina return must equal the number of dependents claimed on your federal return. Attach the federal 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent if you are required to file this form with your federal return. Claim your deduction for dependent exemptions on line w.

If you are claiming a deduction for dependent children under six, enter the number of children under six. Claim your deduction for dependents under six on line t.

Enter the number of taxpayers who are age 65 or older.

Enter the first and last name, Social Security Number, relationship, and date of birth of each dependent.

Line instructions:

ROUND ALL AMOUNTS TO THE NEAREST WHOLE DOLLAR.

Line 1: Federal taxable income

Enter your federal taxable income from your federal form. **If your federal taxable income is zero or less, enter zero** here and enter your negative amount on line r.

STOP! Nonresident/Part-year filers complete Schedule NR and go to line 5. See Schedule NR instructions. Find forms at dor.sc.gov/forms.

Additions to federal taxable income:

Enter all numbers on **line a through line e** as positive numbers even if they are negative numbers on the federal return. **Line a through line e** are adjustments which must be added to your federal taxable income to determine your South Carolina taxable income. Line 2 is the total of these additions.

Line a: State tax addback

If you itemized your deductions on your federal Income Tax return and deducted state and local Income Tax or general Sales Tax, you may be required to add back all or part of this amount to your federal taxable income when computing your South Carolina taxable income.

Federal law limits your total deduction for state and local Income, Sales, and Property Taxes to a combined, total deduction of \$10,000 (\$5,000 if Married Filing Separate). Any state and local taxes paid above this amount cannot be deducted on your federal return.

In determining the state tax addback for a taxpayer whose tax deduction is limited to \$10,000, you may first apply real or personal Property Taxes reported on federal Schedule A, lines 5b and 5c before applying state and local Income Taxes or general Sales Taxes reported on federal Schedule A, line 5a.

The state tax addback required for South Carolina is the lesser of your:

- a. itemized deductions in excess of the standard deduction that would have been allowed if you had used the standard deduction for federal Income Tax purposes;
- b. state and local Income Taxes or general Sales Taxes from your federal 1040, Schedule A, line 5a; or
- c. the \$10,000 federal tax deduction limit less deductible property taxes.

Use the worksheet below to compute the state tax addback on the SC 1040. Do not submit this worksheet with your return. Keep with your tax records.

Worksheet for State Tax Addback	
1. Itemized deductions from 2019 federal 1040, Schedule A line 17.	1. _____
2. Enter the federal standard deduction you would have been allowed if you had not itemized. Enter zero if filing status is Married Filing Separate (MFS). (See federal instructions.)	2. _____
3. Subtract line 2 from line 1. (Enter zero if line 2 is greater than line 1.)	3. _____
4. Enter the amount of state and local Income Tax or general Sales Tax from federal Schedule A.	4. _____
5. Subtract real estate taxes and personal property taxes reported on federal Schedule A from the federal limit of \$10,000 (\$5,000 if MFS). Enter the difference but not less than zero.	5. _____
6. Enter the lesser of line 3, line 4, or line 5. Enter this amount on SC1040 line a .	6. _____

Line b: Out-of-state losses

If you reported losses from out-of-state rental property, a business located outside South Carolina, or losses from real property located in another state, enter the amount from your federal return on **line b**. Include any related expenses, such as investment interest. Enter the total of these losses and related expenses on this line. Personal service income (W-2 or business wages) is taxable to South Carolina no matter where it is earned.

Line c: Expenses related to National Guard and Military Reserve income

Enter the expenses from your service in the National Guard or Reserves that you deducted on your federal return. You will deduct your income from the National Guard or Reserves on line n of the SC1040.

Line d: Interest income

Enter the amount of interest income that was exempt on the federal return and comes from obligations of states and political subdivisions other than South Carolina. For a mutual fund, add back the percentage of exempt interest income attributable to out-of-state non-federal obligations.

Line e: Other additions to income

Attach an explanation of your entry for this line. Some examples of items to enter on this line are:

- Taxpayers who claim bonus depreciation under federal law must add back the difference between the bonus depreciation taken and the depreciation which would have been allowed without bonus depreciation.
- Taxpayers who claim a nonrefundable credit for contributions to Exceptional SC (SCH. TC-57) are not allowed a deduction for these contributions. Add back the amount of the contribution deducted on the federal return.
- Taxpayers who claim a child care program credit for donations to a nonprofit corporation (SCH.TC-9) are not allowed a deduction for those donations. Add back the donation deducted on the federal return.
- Taxpayers who claim credits such as the Community Development Credit (SCH.TC-14), the Industry Partnership Fund Credit (SCH.TC-36), and the Credit for Child Care Program (SCH.TC-9), may not claim a deduction for the same qualified contribution which results in the credit. Add back the amount deducted on the federal return.
- Add back the federal net operating loss when it is larger than the South Carolina net operating loss being claimed.
- Add back any expenses deducted on the federal return related to any income not taxed by South Carolina. Some examples are investment interest to out-of-state partnerships and interest paid to purchase US obligations.
- Add back foreign area allowances, cost of living allowances, and income from US possessions.
- For qualifying investments made after June 30, 1998, taxpayers must reduce the basis of the qualifying property to the extent the Capital Investment Tax Credit is claimed. Add back any resulting reduction in depreciation.
- Add back the qualified business income deduction under IRC Section 199A.
- Add back any charitable contribution of land deducted under IRC Section 170 unless it meets the donative intent requirements of SC Code Section 12-6-5590.
- Include any withdrawals during the tax year from a Catastrophe Savings Account that were:
 1. necessary because contributions were more than the allowable limits; or
 2. more than the amount needed to cover qualified catastrophe expenses.

Do not include any withdrawals made by the surviving spouse of the account owner.

- Qualified catastrophe expenses are expenses paid or incurred because of a major disaster as declared by the Governor.
- A business must add back any amount paid for services performed by an unauthorized alien if the amount is \$600 or more a year.

Depending on how a particular item was reported or deducted, the following items may be an addition or a subtraction:

- A change in the accounting method to conform in the same manner and the same amount to the federal. At the end of the federal adjustment, any balance will continue until fully adjusted.
- Adjust the installment method of reporting if:
 - the entire sale has been reported for state purposes, or
 - the entire sale was reported for federal purposes and you wish to continue on an installment basis for state purposes
- Adjust the federal gain or loss to reflect any difference in the South Carolina basis and federal basis.

Line 2: Total additions

Add line a through line e.

Subtractions from federal taxable income:

Enter all numbers on line f through line w as positive numbers even if they are negative numbers on the federal return.

Line f through line w are adjustments which are subtracted from your federal taxable income to determine your South Carolina taxable income.

Line f: State tax refund

If you included your state tax refund on your federal 1040, enter that amount on this line.

Line g: Total and permanent disability retirement income

If **disability retirement income** was taxed on your federal Income Tax return and you are **totally and permanently disabled**, you may be able to deduct this income from your South Carolina taxable income.

You must be totally and permanently disabled, unable to be substantially gainfully employed, receiving income from a disability retirement plan, and eligible for the homestead exemption under SC Code Section 12-37-250. Attach a copy of the physician's statement establishing that you are permanently and totally disabled.

The deduction is limited to payments received from retirement plans. Third party sick pay reported on a W-2 does not qualify for the total and permanent disability retirement deduction.

A surviving spouse may take a disability retirement deduction for amounts received in the year the disabled spouse died. For following years, a surviving spouse is only eligible for the retirement deduction on **line p** and not the disability deduction.

Line h: Out-of-state income/gain

Enter income from out-of-state rental property; income from a business located outside South Carolina; or gain from real property located in another state, as reported on your federal return. Check the appropriate box to indicate the type of income or gain. **Personal service income (W-2 or business wages) is taxable to South Carolina no matter where it is earned.**

Line i: Net capital gain deduction

Net capital gains included in taxable income are reduced by 44% for South Carolina Income Tax purposes.

Net capital gain means the **excess** of the **net long-term** capital gain for the tax year **over** the **net short-term** capital loss for the tax year. The South Carolina holding period for long-term capital gains is the same as the federal holding period. Income received from installment sales and capital gain distribution qualifies for this deduction if the more than one year holding period has been met. Multiply the net capital gain by 44% and enter the result.

Example: A taxpayer reports a long-term (LT) gain on stock (held more than one year) of \$10,000 and a long-term loss on stock held since 1985 of \$3,000. Also reported is a short-term (ST) loss on stock held for six months of \$5,000.

SC Net LT Capital Gain	\$ 7,000 (10,000 - 3,000)
- SC Net ST Capital Loss	- 5,000
SC Net Capital Gain	\$ 2,000
x Gain Deduction	x 44%
Amount to be deducted	\$ 880

Line j: Volunteer deduction

Qualifying volunteer firefighters, rescue squad workers, volunteer hazardous material (HAZMAT) team members, reserve police officers, Department of Natural Resource (DNR) deputy enforcement officers, members of the State Guard, and state constables are allowed to deduct \$3,000.

- **Volunteer firefighters, rescue squad workers and HAZMAT** members qualify only if their employer provides them with a form stating they have earned the minimum number of points established by the State Fire Marshal during the year.
- **Reserve police officers, DNR deputy enforcement officers, and State Guard members** qualify only if the appropriate authority provides them with an I-332 form certifying their eligibility.
- **Volunteer state constables** qualify if they complete at least 240 logged service time hours per year. They must be designated as a state constable, by the State Law Enforcement Division (SLED), prior to the tax year the deduction is first claimed. SLED must provide the volunteer state constable with documentation supporting they have completed the required annual training required for the recently completed fiscal year.

An individual is limited to one deduction of \$3,000. If a taxpayer and spouse both qualify, enter \$6,000. Enter the type and amount of deduction.

Line k: Contributions to the SC College Investment Program (Future Scholar) or to the SC Tuition Prepayment Program.

You may deduct 100% of any contributions to the SC College Investment Program made between January 1, 2019 and April 15, 2020.

You may deduct 100% of any contribution to the SC Tuition Prepayment Program made between January 1, 2019 and December 31, 2019.

Line l: Active trade or business income deduction

Enter the amount from I-335, line 5. Find forms at dor.sc.gov/forms.

Line m: Interest from US obligations

Enter the interest income from US obligations that you reported as income on your federal Income Tax return. US obligations include savings bonds, treasury notes, and treasury bills. For more information see **South Carolina Revenue Ruling #16-2** at dor.sc.gov/policy.

Interest income from the following obligations **are taxable** for state purposes:

- Federal Home Loan Mortgage Corporation (Freddie Mac)
- Federal National Mortgage Association (Fannie Mae)
- Government National Mortgage Association (Ginnie Mae)

Line n: Certain nontaxable National Guard or Reserve pay

Income received from National Guard or Reserve members for customary annual training, weekend drills, and other inactive duty training is generally exempt from South Carolina Income Tax.

- Members of the National Guard or Reserves may deduct all inactive duty pay from the United States or any state for weekend drills and other inactive duty training they attended.
- Members of the National Guard and active duty Reserve members may also deduct up to 15 days of customary annual training pay, referred to as "active duty training" or "ADT".
- Inactive duty Reserve members may also deduct up to 14 days of customary annual training pay, referred to as "active duty training" or "ADT", plus up to two days of travel time listed on official orders.
- Full-time Active Guard and Reserve (AGR) employees may deduct up to 15 days of annual training they attended and up to 24 days of weekend drills (a maximum of 39 days) at the daily rate of pay.

For more information see **South Carolina Revenue Ruling #09-16** at dor.sc.gov/policy. Do not include Military Reserve and National Guard pay which is included in retirement income. For other subtractions, see instructions for line v.

Line o: Social Security and/or railroad retirement if taxed on your federal return

Enter the amount of Social Security from Title 2 of the Social Security Act or railroad retirement that was taxed on your federal return.

Line p-1 through line p-3: Retirement deduction

The deduction is allowed for an individual taxpayer who is the original owner of a qualified retirement account. An individual who is **under age 65** may claim a retirement deduction up to \$3,000 on qualified retirement income from their own plan.

An individual who is **age 65 or older** during the tax year may claim a retirement deduction up to \$10,000 on qualified retirement income from their own plan.

Line p-1: Include only qualified withdrawals from the taxpayer's own qualified retirement plan.

Line p-2: Include only qualified withdrawals from the spouse's own qualified retirement plan.

Line p-3: A surviving spouse receiving qualified retirement income on behalf of a deceased spouse may deduct up to \$3,000 or \$10,000 of the qualified retirement income, based on the age of the deceased spouse had they lived. The surviving spouse must receive the decedent's qualified retirement income as a surviving spouse.

The surviving spouse retirement deduction is in addition to the individual retirement deduction claimed from the taxpayer's own retirement plan.

Qualified retirement income is income from plans defined in IRC 401, 403, 408, and 457, and all public employee retirement plans of the federal, state, and local governments, including individual retirement plans, Keogh plans, and military retirement.

Disability retirement income due to permanent and total disability, Social Security income, and railroad retirement income, do not qualify because these items are not taxed by South Carolina. See lines g and o.

Any portion of qualified retirement income received this tax year that resulted in a federal premature withdrawal penalty does **not** qualify for a retirement deduction.

Reduce the retirement deduction by any military retirement deduction taken.

Worksheet for taxpayer (line p-1)	
1. Maximum deduction allowed for taxpayer based on age (\$3,000 or \$10,000)	1. _____
2. Taxpayer's military retirement deduction (line p-4)	2. _____
3. Taxpayer's retirement deduction available (subtract line 2 from line 1; if less than zero, enter zero)	3. _____
4. Taxpayer's individual qualified retirement income included in federal form (taxable IRA distributions, pensions, and annuities)	4. _____
5. Retirement deduction (lesser of line 3 or line 4) Enter on line p-1 .	5. _____

Worksheet for spouse (line p-2)	
1. Maximum deduction allowed for spouse based on age (\$3,000 or \$10,000)	1. _____
2. Spouse's military retirement deduction (line p-5)	2. _____
3. Spouse's retirement deduction available (subtract line 2 from line 1; if less than zero, enter zero)	3. _____
4. Spouse's individual qualified retirement income included in federal form (taxable IRA distributions, pensions, and annuities)	4. _____
5. Retirement deduction (lesser of line 3 or line 4) Enter on line p-2 .	5. _____

Worksheet for surviving spouse (line p-3) Calculate separately for each deceased spouse.	
1. Maximum deduction allowed for surviving spouse based on age of deceased spouse had they lived (\$3,000 or \$10,000 for each deceased spouse)	1. _____
2. Surviving spouse's military retirement deduction (line p-6)	2. _____
3. Surviving spouse's retirement deduction available (subtract line 2 from line 1; if less than zero, enter zero)	3. _____
4. Qualified retirement income received as surviving spouse included in federal form (taxable IRA distributions, pensions, and annuities)	4. _____
5. Retirement deduction (lesser of line 3 or line 4) Enter on line p-3 .	5. _____

Line p-4 through line p-6: Military retirement deduction

An individual with military retirement income included in their South Carolina taxable income may make a deduction up to the amount of military retirement income. Taxpayers filing a joint return must calculate the deduction separately for each spouse based on each individual's age, retirement income, and earned income. Reduce the retirement deduction (line p-1 through line p-3) and the age 65 and older deduction (line q-1 and q-2) by the amount of the military retirement deduction taken.

Retirement income means taxable income received by the taxpayer or the taxpayer's surviving spouse from a qualified military retirement plan. Income that is subject to a penalty for premature distribution does not qualify as retirement income. For a surviving spouse, retirement income includes a retirement benefit plan and dependent indemnity compensation received due to the deceased spouse's military services.

Retirement benefits received for service in the National Guard or Reserves, due to inactive time, are subtracted on line v and are not included in taxable income. Do not include these amounts in the deduction on line p.

Line p-4: Include military retirement income related to the taxpayer's military service.

Line p-5: Include military retirement income related to the spouse's military service.

Line p-6: Include military retirement income received on behalf of a deceased spouse's military service. Apply the deduction in the same manner that it applied to the deceased spouse.

The surviving spouse military retirement deduction is in addition to any retirement deductions claimed on the taxpayer's own retirement income.

Military retirement deduction: Under age 65

For 2019, the military retirement deduction is limited to \$14,600 for taxpayers under the age of 65. Taxpayers must have other earned income in addition to the military retirement. South Carolina earned income is income you receive from services you provide.

Earned income includes	Earned income does not include
wages salaries tips commissions sub-pay self-employment income business income or loss partnership income or loss farm income or loss	gambling winnings bingo winnings interest dividends Social Security benefits IRA distributions retirement plan or annuity benefits unemployment compensation deferred compensation any amount your spouse paid you

Taxpayers under the age of 65 with military retirement income but no earned income are only eligible for the retirement deduction on line p-1 or p-2.

Example 1: A taxpayer under the age of 65 has military retirement income of \$5,000 and earned income of \$4,000. The taxpayer's military retirement deduction is \$4,000.

Example 2: A taxpayer under the age of 65 has military retirement income of \$4,000 and earned income of \$0. The taxpayer **does not** qualify for the military retirement deduction since there is no earned income. The taxpayer would qualify for the \$3,000 retirement deduction on line p-1.

Example 3: A taxpayer under the age of 65 has military retirement income of \$11,000, retirement income from other sources of \$12,000, and earned income of \$13,000. The taxpayer's military retirement deduction is \$11,000.

Individual taxpayers are allowed one retirement deduction for all retirement income whether military or other retirement. Surviving spouse benefits are calculated separately.

Military retirement deduction: Age 65 and older

For 2019 the deduction is limited to \$27,000 for individual taxpayers age 65 and older. There is no requirement for other earned income. See examples in the instructions for line q (age 65 and older deduction).

Line q: Age 65 and older deduction

Beginning in the tax year a resident taxpayer reaches age 65, they are entitled to a deduction of \$15,000 against any South Carolina income.

Line q-1 applies to the taxpayer whose name appears first on the return.

Line q-2 applies to the spouse whose name appears second on the return.

- Reduce the age 65 and older deduction claimed on line q-1 and line q-2 by:
- any individual retirement deduction claimed on line p-1 and line p-2, and
 - any military retirement deduction claimed on line p-4 and line p-5.

Claiming a surviving spouse retirement deduction on line p-3 or p-6 does not reduce the age 65 and over deduction for a taxpayer on line q-1 or q-2.

Worksheet for taxpayer (line q-1)	
1. Age 65 and older deduction amount	1. <u> \$15,000 </u>
2. Retirement income deduction (line p-1)	2. <u> </u>
3. Military retirement income deduction (line p-4)	3. <u> </u>
4. Deduction available (subtract line 2 and line 3 from line 1; if less than zero, enter zero) Enter on line q-1 .	4. <u> </u>

Worksheet for spouse (line q-2)	
1. Age 65 and older deduction amount	1. <u> \$15,000 </u>
2. Retirement income deduction (line p-2)	2. <u> </u>
3. Military retirement income deduction (line p-5)	3. <u> </u>
4. Deduction available (subtract line 2 and line 3 from line 1; if less than zero, enter zero) Enter on line q-2 .	4. <u> </u>

Assume for all examples that taxpayers have income to qualify for the age 65 and older deduction in addition to the retirement deductions.

Example 1: A taxpayer age 65 and older has no military or other sourced retirement income on lines p-1 or p-4. The taxpayer is eligible for a deduction of \$15,000 on line q-1.

Example 2: A taxpayer age 65 and older has no military retirement income but other sourced retirement of \$14,000. The taxpayer is allowed a deduction of \$10,000 on line p-1 and a deduction of \$5,000 on line q-1.

Example 3: A taxpayer age 65 and older has military retirement income of \$13,000 and is allowed a deduction on line p-4 of \$13,000. The taxpayer is allowed a deduction of \$2,000 on line q-1. The maximum allowed deduction for 2019 is \$15,000.

Example 4: A taxpayer age 65 and older has military retirement income of \$30,000. The taxpayer is eligible for a military retirement deduction of \$27,000 on p-4. The taxpayer is not allowed an additional amount on line q-1. The maximum retirement deduction for military retirement for taxpayers age 65 or older is \$27,000 for 2019. See instructions for military retirement.

Example 5: A taxpayer age 65 and older has military retirement income of \$16,000, and other sourced retirement income of \$8,000. The taxpayer is allowed a deduction on line p-4 of \$16,000. The taxpayer is not allowed an additional amount on line q-1.

Line r: Negative amount of federal taxable income

Because the South Carolina return begins with the federal taxable income, it is important that you get the benefit of the negative amount from the federal taxable income line of the federal return. On the SC1040, start with zero on line 1. Do not enter a negative amount. On line r of the SC1040, enter the negative amount from the federal taxable income line of the federal return. Enter as a positive number.

Line s: Subsistence allowance

Police and all commissioned law enforcement officers paid by South Carolina municipal, county, state governments or the federal government, **full-time** firefighters, and **full-time** emergency medical service personnel are entitled to subsistence allowances of \$8 per regular workday. Your employer should provide you with the number of work days.

Line t: Dependents under six years of age

A deduction is allowed for each dependent claimed on your federal Income Tax return who had **not** reached the age of six by December 31 of the tax year. Birthdates and Social Security Numbers are required. See worksheet below.

Worksheet for dependent under age 6	
1. South Carolina dependent exemption amount	1. <u> \$4,190 </u>
2. Number of dependents claimed on your federal return who had not reached age six during the tax year	2. <u> </u>
3. Allowable deduction (multiply line 1 by line 2) Enter on line t .	3. <u> </u>

Line u: Consumer protection services

An individual may deduct the costs of a monthly or annual contract or subscription for identity theft protection and resolution services. The deduction is only for individuals who filed a return with the SCDOR for a tax year between 1998 and 2012 or whose personal identifiable information was included on another's return. The deduction may not be claimed for an individual who deducted the same actual costs as a business expense.

- The deduction is limited to:
- \$300 for an individual taxpayer
 - \$1,000 for a married filing joint return
 - \$1,000 for a return claiming dependents

Identity theft protection includes products and services designed to prevent an incident of identify fraud or identity theft. It protects the disclosure of a person's personal identifying information (for example your SSN) by preventing a third party from gaining unauthorized acquisition of another's personal identifying information to obtain financial resources or other products, benefits, or services.

Identity theft resolution services include products and services designed to assist persons whose personal identifying information was obtained by a third party. This results in minimizing the effects of the identity fraud or identity theft incident and restoring the person's identity to pre-theft status.

Line v: Other subtractions from income

- Attach an explanation of your entry on this line. Some examples of items which may be subtracted on this line are:
- You may deduct 100% of any contributions made to a Palmetto ABLE Account Expense Fund, subject to program limitations, between January 1, 2019 and December 31, 2019. For more information, visit treasurer.sc.gov.

- South Carolina does not recognize bonus depreciation in IRC Section 168(k). With or without bonus depreciation, the depreciable life of the property is the same for federal and state purposes. For the tax year the property is placed in service, a taxpayer must add back, on line e of the SC1040, the difference between the depreciation deduction allowed for federal purposes and the deduction that would have been allowed without bonus depreciation. The South Carolina adjusted basis will then be greater than the federal adjusted basis. For all other years of the depreciable life of the property, an additional depreciation deduction is available for South Carolina purposes.
- South Carolina net operating loss that is larger than the federal amount is a subtraction. The same loss can only be deducted once. Attach your own worksheet or keep with your tax records. No carryback losses are allowed.
- Legislators within a 50-mile radius of the State House are allowed to subtract travel expenses.
- Retirement income paid by the US government for service in the Reserves or National Guard is not taxed for South Carolina purposes. You may deduct the entire amount of any stipend paid by the state of South Carolina for National Guard service. Determine the percentage of your military retirement income which is excludable by dividing the length of time you served in the Reserves and/or National Guard (not full time) by the length of time of your total military service as follows:

Worksheet for military retirement exclusion			
Inactive Reserve time			
+ Inactive National Guard time	=	_____	% exclusion
Total Military time (active and inactive)			
Determine the excludable amount of your military retirement income by multiplying it by the percentage of exclusion as follows:			
_____ % exclusion	X	total taxable military retirement income shown on federal return	= excludable military retirement income to be entered on line v

- If you have adopted a special needs child, you may subtract \$2,000 per year per child as long as the adopted child qualifies as a dependent on your federal return.

A special needs child is:

1. a person under the age of 18 at the time of adoption
2. a dependent of a public or private non-profit adoption agency
3. legally free for adoption
4. determined by the agency to have specific conditions

Attach a copy of the letter you received at the time of adoption from the SC Department of Social Services which certified the person as a special needs child.

- Subtract amounts contributed to a Catastrophe Savings Account and interest income earned by the account.

If your legal residence is insured against hurricane, rising floodwaters, or other catastrophic windstorm event damage, you are allowed to contribute:

- o \$2,000 if the qualified deductible is \$1,000 or less
- o twice the qualified deductible if it is between \$1,000 and \$7,500
- o \$15,000 if the qualified deductible is more than \$7,500

If your legal residence is not insured against hurricane, rising floodwaters, or other catastrophic wind event damage, the limit is \$250,000 or the value of your legal residence, whichever is less.

Depending upon how a particular item was reported or deducted, the following items may be an addition or subtraction.

- A change in accounting method to conform in the same manner and same amount as federal. At the end of the federal adjustment, any balance will continue until fully adjusted.
- Adjust the installment method of reporting if :
 - o the entire sale was reported for state purposes or
 - o the entire sale was reported for federal purposes and you wish to continue on an installment basis for state purposes
- Adjust the federal gain or loss to reflect any difference in the South Carolina basis and federal basis.

Line w: South Carolina dependent exemption

A South Carolina dependent exemption is allowed for each eligible dependent, including both qualifying children and qualifying relatives. Eligible dependents are dependents claimed on your federal Income Tax return. See worksheet below.

Worksheet for South Carolina dependent exemption	
1. South Carolina dependent exemption amount	1. _____ \$4,190
2. Number of dependents claimed on your federal return	2. _____
3. Allowable deduction (multiply line 1 by line 2) Enter on line w .	3. _____

Line 4: Total subtractions

Add line f through line w and enter the total.

South Carolina tax:**Line 6: Tax on South Carolina taxable income**

If your income subject to tax on line 5 is less than \$100,000, use the SC1040 tax tables (SC1040TT) to determine your South Carolina tax. Enter the tax on line 6.

If your income subject to tax on line 5 is \$100,000 or more, use the tax rate schedule provided in the SC1040TT to compute your tax. Enter the tax on line 6. Find the SC1040TT at dor.sc.gov/forms.

Line 7: Tax on lump-sum distribution

South Carolina follows the federal provisions regarding lump-sum distributions. If you used the federal 4972 for a lump-sum distribution, you must use the SC4972 to compute the South Carolina tax. Find the SC4972 at dor.sc.gov/forms.

This separate tax on lump-sum distributions is in addition to the tax computed on line 6.

Do not enter the federal 10% premature early withdrawal penalty on line 7.

Line 8: Tax on active trade or business income

Enter the amount from I-335, line 7.

Line 9: Tax on excess withdrawals from catastrophe savings accounts

Withdrawals from a Catastrophe Savings Account are taxed an additional 2.5% unless:

- the taxpayer no longer owns a qualified legal residence in South Carolina,
- the amount contributed was within the allowable limits, and the withdrawal occurred after the taxpayer reached age 70, or
- the withdrawal followed the death of the individual who set up the account or the surviving spouse.

Credits:**Line 11: Child and Dependent Care Credit**

For a full-year resident, the credit is calculated at 7% of the federal child and dependent care expense.

For a part-year resident or nonresident, you are not eligible for this credit if you are a resident of a state that does not offer a credit for child and dependent care expense to nonresidents of that state.

For eligible part-year residents or nonresidents, calculate the credit at 7% of the prorated federal expenses using your proration percentage from Schedule NR.

The maximum credit allowed is \$210 for one child or \$420 for two or more children.

You cannot claim this credit if your filing status is Married Filing Separately.

Example A: Full-year resident

Federal child care expense from the federal 2441 is \$2,000
 $\$2,000 \times .07 = \140 (allowable credit)

Example B: Part-year resident or nonresident

Federal child care expense from the federal 2441 is \$2,000 and the proration percent from line 45 of Schedule NR is 30%
 $\$2,000 \times .30 = \$600 \times .07 = \$42$ (allowable credit)

Line 12: Two Wage Earner Credit

This credit is available to a married couple filing jointly when both spouses have earned income taxed to South Carolina. This credit is **not** allowed on returns with a filing status of Single, Married Filing Separately, or Head of Household.

The multiplier used in computing the Two Wage Earner Credit increases by \$3,333 each year beginning in 2018, until fully phased-in for tax year 2023. For 2019, the credit is computed at .007 of the lesser of \$36,667 or the South Carolina qualified earned income of the spouse with the lower South Carolina qualified earned income for the taxable year.

Use your South Carolina qualified earned income to calculate the credit. Compute your South Carolina qualified earned income by subtracting certain adjustments reported on your federal 1040 from your South Carolina earned income.

Adjustments to subtract are:

- deductible part of self-employment tax
- self-employment SEP, simple and qualified plans
- self-employment health insurance deduction
- IRA deduction
- repayment of sub-pay

South Carolina earned income is generally income you receive from services you provide. Compute the earned income for you and your spouse separately.

Earned income includes	Earned income does not include
wages salaries tips commissions sub-pay self-employment income business income or loss partnership income or loss farm income or loss	gambling winnings bingo winnings interest dividends Social Security benefits IRA distributions retirement plan or annuity benefits unemployment compensation deferred compensation any amount your spouse paid you

Example: A taxpayer earned a salary taxed to South Carolina of \$40,000. The taxpayer's qualified earned income is \$40,000. Spouse earned wages of \$17,000 taxed to South Carolina and had an IRA deduction of \$1,000. Spouse's qualified earned income is \$16,000 (\$17,000 - \$1,000). The credit is based on Spouse's qualified earned income, because it is the lesser of the two. The credit is \$112 (\$16,000 x .007).

Worksheet for Two Wage Earner Credit		
	(a) You	(b) Your spouse
1. Wages, salaries, and tips taxed to South Carolina (Do not include pensions or annuities.)	_____	_____
2. Net profit or loss from self-employment (from Schedule C) and any other earned income taxed to South Carolina.	_____	_____
3. Add line 1 and line 2. (This is your total earned income taxed to South Carolina.)	_____	_____
4. Add the adjustment amounts from your federal 1040. (See adjustments above.) If filing Schedule NR, enter amounts from Column B, lines 21, 22, 23, 26, and any repayment of supplemental unemployment benefits (sub-pay) allocable to South Carolina income.	_____	_____
5. Subtract line 4 from line 3. (This is your qualified earned income taxed to South Carolina.) If the amount in column (a) or column (b) is zero or less, you may not take this credit.	_____	_____
6. Enter the lesser of 5(a) or 5(b). Cannot be greater than \$36,667.	_____	_____
7. Allowable credit (multiply the line 6 by .007). Enter on line 12. Cannot be greater than \$257.	_____	_____

Line 13: Other nonrefundable credits

Refer to the instructions for the SC1040TC for descriptions of the nonrefundable tax credits along with the required tax credit schedule for each credit. Most tax credits are computed on separate tax credit schedules.

Attach tax credit schedules for all tax credits you claim, along with the SC1040TC Worksheet and the SC1040TC, to your Income Tax return. Tax credits may be disallowed if necessary schedules are not attached to your return.

Tax payments and refundable credits:

Line 16: South Carolina Income Tax withheld from wages

Enter the total South Carolina tax withheld:

- from your wages and reported on your W-2s as State Income Tax, and
- by a fiduciary on your behalf and reported on your SC41s.

Do not include:

- withholding paid to another state
- withholding from a federal 1099
- amounts reported on a South Carolina substitute 1099G/INT

Attach readable copies of your W-2s to the front of your return.

W-2s are available from your employer. If you do not have a W-2, complete the SC4852 and provide proof of tax withheld. Find forms at dor.sc.gov/forms.

Line 17: 2019 Estimated Tax payments

Enter the total Estimated Tax payments you made including any amount transferred from your 2018 tax return.

Line 18: Amount paid with extension

Enter the amount you paid with your extension request. Check the box on the front of the return to indicate you requested an extension of time to file your return.

Line 19: Nonresident sale of real estate

A nonresident of South Carolina who sells real property located in this state is subject to withholding of South Carolina Income Tax. The sale is reported to South Carolina on an Individual Income Tax return.

The state Income Tax withheld at the time of the sale is reported to you on an I-290 provided by the closing attorney. Enter the withholding from the I-290 and attach the form to your return.

Line 20: Other SC withholding

Enter the total South Carolina tax withheld from federal 1099s. Attach copies of all 1099s to the front of your return.

Do not include:

- withholding from a W-2
- amounts reported on a South Carolina substitute 1099G/INT

Line 21: Tuition tax credit

Refer to the I-319 at dor.sc.gov/forms to see if you qualify to claim this credit. If you qualify, complete all information on the I-319 and attach it to your return. If you have more than one qualifying student, complete a separate I-319 for each student. Attach a copy of your federal return.

Line 22: Other refundable credits

Refer to the I-333, I-334, I-360, I-361, and I-385 at dor.sc.gov/forms to see if you qualify to claim the credit. Attach the appropriate credit form to the SC1040.

- Enter amount from I-333 refundable credit for Anhydrous Ammonia Additive on line 22a.
- Enter amount from I-334 refundable credit for Production and Sale of Milk on line 22b.
- Enter amount from I-360 refundable credit for Classroom Teacher Expenses on line 22c.
- Enter amount from I-361 Parental Refundable credit on line 22d.
- Enter amount from I-385 refundable Motor Fuel Income Tax Credit on line 22e.
- Enter the total other refundable credits on line 22.

Line 23: Total payments

Add line 16 through line 22 and enter the total.

Amended return: Enter the amount from SCH AMD, line 7. If a negative, enter in [brackets].

Line 24: Overpayment

If line 23 is larger than line 15, subtract line 15 from line 23 and enter the overpayment.

Amended return: Enter the amount from line 24 on line 30. (Do not enter amounts on line 26 through line 29.)

Example 1 (amended return)

Line 15 = 200

Line 23 = 250 (calculated on SCH AMD)

Line 24 = 50 (250 - 200)

Enter the \$50 refund amount on line 30.

Line 25: Amount due

If line 15 is larger than line 23, subtract line 23 from line 15 and enter the amount due.

Amended return: Enter the amount from line 25 on line 31. (Do not enter amounts on line 26 through line 29.)

Example 1 (amended return):

Line 15 = 200

Line 23 = <125> (negative number, calculated on SCH AMD)

Line 25 = 325 (200 - <125>)

Enter the \$325 tax due amount on line 31.

Example 2 (amended return):

Line 15 = 200

Line 23 = 125 (positive number, calculated on SCH AMD)

Line 25 = 75 (200 - 125)

Enter the \$75 tax due amount on line 31.

Line 26: South Carolina Use Tax

Use Tax is due on purchases outside of South Carolina for use, storage, or consumption in South Carolina. Use Tax is paid to the SCDOR when the state Sales and Use Tax has not been collected by the seller.

You may need to pay Use Tax if you make purchases:

- from retailers online
- from out-of-state catalog companies
- from home shopping networks
- when visiting another state

The tax rate for the Use Tax is the same as the Sales Tax. The rate is determined by where the tangible personal property will be used, stored, or consumed, regardless of where the sale takes place. For more information and updated tax rates, visit dor.sc.gov/tax/use.

You have three options for reporting and paying Use Tax:

1. On line 26 of your Individual Income Tax Return. Calculate your Use Tax using the SC Use Tax Worksheet below. No additional form or paperwork is required.
2. Online using our free tax portal, MyDORWAY, at MyDORWAY.dor.sc.gov. Sign into your existing account or create an account to get started. No additional form or paperwork is required.
3. Mail the UT-3 with check or money order payable to "SCDOR" to: **SCDOR, Sales Taxable, PO Box 100193, Columbia, SC 29202.**

If you have paid your Use Tax during the year on a UT-3 electronically, or have no Use Tax due, check the box on line 26.

Use Tax rates:

The state Sales and Use Tax rate is **6% plus the applicable local Use Tax rate of the county** in which you are located or other applicable rate wherever tangible personal property was delivered. Sales of unprepared foods are exempt from state Sales and Use Tax. Local taxes still apply to sales of unprepared food unless the local tax law exempts such sales.

The following are the rates for each county as of May 1, 2019:

- 6% Georgetown, Greenville, Oconee
- 7% Abbeville, Anderson, Beaufort, Dorchester, Edgefield, Fairfield, Greenwood, Laurens, Lexington, Newberry, Orangeburg, Pickens, Spartanburg, Union, York
- 8% Aiken, Allendale, Bamberg, Barnwell, Berkeley, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Florence, Hampton, Horry, Kershaw, Lancaster, Lee, Marion, Marlboro, McCormick, Richland, Saluda, Sumter, Williamsburg
- 9% Charleston, Horry-City of Myrtle Beach, Jasper

Use this information to calculate line 2 of the worksheet.

Worksheet for South Carolina Use Tax				
Column A	Column B	Column C	Column D	Column E
Date of purchase	Name of store, company, or vendor	Total price of purchases <small>(includes shipping and handling, warranty costs, and Sales or Use Tax due and paid on the purchase)</small>	Sales or Use Tax due and paid to another state or jurisdiction	Amount taxable <small>(subtract Column D from Column C)</small>
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
line 1	Total	\$	\$	\$
line 2	Enter your county's state and local Sales and Use Tax rate.			%
line 3	Multiply line 1, Column E by the rate on line 2, Column E.			\$
line 4	Enter the total from Line 1, Column D.			\$
line 5	South Carolina Use Tax (subtract line 4 from line 3). Round to the nearest dollar. Enter on line 26 of the SC1040.			\$

Line 27: Estimated Tax

Enter the amount of your overpayment that you would like to apply to next year's tax.

Line 28: Contributions for check offs

Refer to the I-330, at dor.sc.gov/forms, for information about the various funds to which you may contribute. Enter the total from the I-330. Attach the I-330 to your return. Your contribution cannot be made if you do not attach the I-330.

Refund or amount you owe:**Line 30: Refund**

If line 29 is larger than line 24, go to line 31. Otherwise, subtract line 29 from line 24 and enter the amount to be refunded to you on line 30. We will not automatically issue a refund under \$5. However, upon notification we can release the refund. **Required: Mark your refund choice on line 30a.**

Line 30a: Refund options

Receive your refund by direct deposit, debit card, or paper check. Mark an **X** in one box to indicate your choice.

- **Direct deposit** is the fastest option for most filers. The funds are deposited directly into your bank account.
- **Debit cards** are issued by Bank of America and are subject to program limitations. If you choose to receive your refund by debit card, see the Bank of America disclosure information included at the end of these instructions.
- **Paper checks** are mailed to you at the address provided on your return. To avoid delays, be sure the address on your return is correct and accurate.

Line 30b: Direct deposit information

Choose direct deposit for a fast, simple, safe, and secure way to have your refund deposited automatically into your checking or savings account. Enter complete and correct account information. We will mail a paper check if the account information is not complete and correct. Direct deposit is not available for bank accounts located outside the United States.

To receive your refund by direct deposit:

1. Mark an X to choose checking or savings account.
2. Enter your 9 digit routing transit number (RTN). The RTN should begin with 01 through 12 or 21 through 32. Do not use a deposit slip to verify the RTN.
3. Enter your bank account number (BAN). The BAN contains 17 or less alphanumeric digits. Enter the BAN from left to right. Do not enter hyphens, spaces, special symbols, or the check number.

Line 31: Net tax

Add line 25 and line 29.

Line 32: Late filing and late payment penalties and interest

If you calculated failure to file or failure to pay penalties and interest, enter in the appropriate blanks and put the total of both on line 32.

A failure to file penalty is charged for failing to file a tax return on or before its due date, considering any extension of time for filing. The penalty is 5% of the tax amount if the failure is for not more than one month, with an additional 5% for each additional month or fraction of the month the failure continues, not to exceed 25% in total.

A failure to pay penalty is charged for failing to pay the tax on any return on or before its due date. The penalty is 1/2% of the tax if the failure is for not more than one month, with an additional 1/2% for each additional month or fraction of the month the failure continues, not to exceed 25% in total.

Any unpaid portion of the final tax due will accrue interest at the prevailing federal rates. This amount is computed from the original due date of the tax return to the date of payment.

Find a Penalty and Interest Calculator on our free tax portal, MyDORWAY, at dor.sc.gov/calculator.

Line 33: Underpayment of Estimated Tax penalty

You may owe a penalty for underpayment if you did not pay in the lesser of 90% of your tax liability for 2019 or 100% of your tax liability for 2018 in four equal amounts by the required dates.

If your adjusted gross income is \$150,000 or more, the 100% rule is modified to be 110% of the tax shown on your 2018 Income Tax return. See the SC2210 at dor.sc.gov/forms to calculate any penalty that may be due.

Exceptions to underpayment of Estimated Tax:

- Enter an **A** in the box if you completed federal Schedule AI-Annualized Income Installment Method for South Carolina purposes when determining the amount to enter on Line 33.
- Enter an **F** in the box if you are a farmer or fisherman who receives at least two-thirds of your gross income for the year from farming and fishing and you pay your tax due by March 1, 2020.
- Enter a **W** if you are requesting a waiver of your entire penalty. See the SC2210 instructions at dor.sc.gov/forms for information on what qualifies for a waiver of penalty.

Calculate your penalty for underpayment and enter the amount on line 33. If you are due a refund, subtract the penalty amount from the difference of line 24 and line 29 and enter the result on line 30. Attach the SC2210 to your tax return when using an exception to waive the penalty.

Line 34: Balance due

Add line 31 through line 33 and enter the total on line 34. This is the amount you owe.

If you owe \$15,000 or more in connection with any SCDOR return, you must pay electronically per SC Code Section 12-54-250(A)(1).

Pay online using our free tax portal, MyDORWAY, at dor.sc.gov/pay. Select **Individual Income Tax Payment** to get started.

If mailing your payment, do not send cash. Make check payable to SCDOR and include your name, SSN, and "2019 SC1040" in the memo. File your SC1040 with payment attached.

Sign and date your return:

You must sign your return. If your filing status is Married Filing Jointly, your spouse must also sign.

The return for a deceased taxpayer must be signed by a surviving spouse, an executor, or an administrator. If you are signing as a surviving spouse, write **filing as surviving spouse** by your signature.

If signing as a personal representative, sign in your official capacity and attach the completed SC1310.

Any refund check will be issued to the decedent's surviving spouse or estate.

Authorization:

The signature section of the return contains a **check the box** authorization for release of confidential information. A check in the **yes** box authorizes the Director of the SCDOR or delegate to discuss the return, its attachments, and any notices, adjustments, or assessments with the preparer.

If a person is paid to prepare the Income Tax return, their signature and Preparer Tax Identification Number (PTIN) or Federal Employer Identification Number (FEIN) are required in the spaces provided. Penalties are applicable for failure to comply.

Reminders:**Filing online is faster and more accurate**

- You may qualify to file online or submit your return electronically for free. Visit dor.sc.gov/iit-filing to learn more about your options.

Review your return

- Attach a complete copy of your federal return if you filed federal schedules A, C, D, E, or F, or filed a SCH NR, SC1040TC, I-319, or I-335 with your South Carolina return.
- Make sure you received all of your W-2s and other tax documents.
- Verify all Social Security Numbers on your return.
- Double check your name, address, and all math calculations.
- Be sure your return is signed.
- Make a copy of your complete return for your records.

Before you file your return

- Attach all W-2s and 1099s with South Carolina withholding.
- If you aren't paying online at dor.sc.gov/pay, mail your SC1040 Individual Income Tax return with payment attached to the proper address.

COUNTY CODES					
COUNTY	CODE	COUNTY	CODE	COUNTY	CODE
Abbeville	01	Dillon	17	McCormick	33
Aiken	02	Dorchester	18	Marion	34
Allendale	03	Edgefield	19	Marlboro	35
Anderson	04	Fairfield	20	Newberry	36
Bamberg	05	Florence	21	Oconee	37
Barnwell	06	Georgetown	22	Orangeburg	38
Beaufort	07	Greenville	23	Pickens	39
Berkeley	08	Greenwood	24	Richland	40
Calhoun	09	Hampton	25	Saluda	41
Charleston	10	Horry	26	Spartanburg	42
Cherokee	11	Jasper	27	Sumter	43
Chester	12	Kershaw	28	Union	44
Chesterfield	13	Lancaster	29	Williamsburg	45
Clarendon	14	Laurens	30	York	46
Colleton	15	Lee	31		
Darlington	16	Lexington	32		
APO/FPO Addresses					99
Outside of South Carolina					99
Outside of United States					88

South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card Fee Disclosure and Other Important Disclosures*

You do not have to receive your payments on this benefits card. Ask the benefits office about other ways to receive your benefits.			
Monthly fee	Per purchase	ATM withdrawal	Cash reload
\$0	\$0	\$0 in-network \$2.00** out-of-network	N/A
ATM balance inquiry			\$0
Customer service			\$0 per call
Inactivity			\$0
We charge 9 other types of fees. Here are some of them:			
Replacement card, express delivery			\$15.00
Replacement card, international			\$15.00
*This document entitled 'Fee Disclosure and Other Important Disclosures' is included with, and incorporated in, the South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card Account Agreement.			
** Fees can be lower depending on how and where this card is used.			
See the materials you received with your card for free ways to access your funds and balance information.			
No overdraft/credit feature.			
Your funds are eligible for FDIC insurance.			
For more information about prepaid cards, visit cfpb.gov/prepaid .			
Find details and conditions for all fees and services in the cardholder agreement.			
The South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card is issued by Bank of America. There is no fee to purchase or activate this card.			

Rev 1/19

DPP-047818



List of all fees for South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card

All fees	Amount	Details
Spend money		
Per purchase with PIN	\$0	
Per purchase with signature	\$0	
Get cash in the U.S.		
ATM withdrawal, in-network	\$0	"In Network" refers to Bank of America ATMs. Locations can be found at www.bankofamerica.com/screfund . You will not be charged a fee by Bank of America.
ATM withdrawal, out-of-network	\$2.00	"Out of Network" refers to all the ATMs outside of Bank of America ATMs. You may also be charged a fee by the ATM operator even if you do not complete a transaction.*
Bank teller cash withdrawal	\$5.00	You will be charged this fee after 1 free after each deposit. Available at financial institutions that accept Visa cards. Limited to available balance only.
Emergency cash transfer, domestic	\$15.00	All emergency cash transfers must be initiated through the Prepaid Debit Card Customer Service Center.
Information		
Customer service	\$0	
Online account information	\$0	
ATM balance inquiry	\$0	
Using your card outside the U.S.		
Each international transaction	2%	Of total U.S. dollar amount of transaction
International ATM withdrawal	\$2.50	This is our fee. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$5.00	You will be charged this fee after 1 free after each deposit. Available at financial institutions that accept Visa cards. Limited to available balance only.
Emergency cash transfer, outside the U.S.	\$30.00	All emergency cash transfers must be initiated through the Prepaid Debit Card Customer Service Center
Other		
Online funds transfer	\$0	
Replacement card, domestic	\$5.00	You will be charged this fee after 1 free replacement
Replacement card, express delivery	\$15.00	Additional charge per request
Replacement card, international	\$15.00	Additional charge per request
Inactive account	\$0	
Paper check fee	\$5.00	

* ATM owners may impose an additional "convenience fee" or "surcharge fee" for certain ATM transactions (a sign should be posted at the ATM to indicate additional fees); however, you will not be charged any additional convenience fee or surcharge fee at a Bank of America ATM. A Bank of America ATM means an ATM that prominently displays the Bank of America name and logo.

Your funds are eligible for FDIC insurance. Your funds are insured up to \$250,000 by the FDIC in the event Bank of America, N.A. fails, if specific deposit insurance requirements are met. See fdic.gov/deposit/deposits/prepaid.html for details.

No overdraft/credit feature.

Contact Bank of America by calling 1.866.472.4959, 1.866.656.5913 (TTY), or 1.423.262.1650 (Collect, when calling outside the U.S.), by mail at Bank of America, P.O. Box 8488, Gray, TN 37615-8488, or visit www.bankofamerica.com/screfund.

For general information about prepaid accounts, visit cfpb.gov/prepaid.

If you have a complaint about a prepaid account, call the Consumer Financial Protection Bureau at 1.855.411.2372 or visit cfpb.gov/complaint.

 To learn about Bank of America's environmental goals and initiatives, go to bankofamerica.com/environment.



STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE 2019 INDIVIDUAL INCOME TAX RETURN

Form with fields for 'Your Social Security Number' and 'Spouse's Social Security Number', each with a 'Check if deceased' checkbox.

For the year January 1 - December 31, 2019, or fiscal tax year beginning _____, 2019 and ending _____, 2020

Form with fields for 'First name and middle initial', 'Last name', 'Suffix', 'Spouse's first name, if married filing jointly', 'Last name', 'Suffix', 'Check if new address', 'Mailing address (number and street, PO Box)', 'County code', 'City', 'State', 'ZIP', 'Daytime phone number with area code', 'Check if address is outside US', 'Foreign country address including postal code'.

- Amended Return: Check if this is an Amended Return. Attach Schedule AMD
• Check this box if you are filing SC Schedule NR (Part-year/Nonresident)
• Check this box only if filing a composite return on behalf of a Partnership or S Corporation. Do not check this box if you are an individual
• Check this box if you have filed a federal or state extension.
• Check this box if you served in a military combat zone during the filing period.
Name of the combat zone: _____

CHECK YOUR FEDERAL FILING STATUS (1) Single (2) Married filing jointly (3) Married filing separately - enter spouse's SSN: (4) Head-of-household (5) Qualifying widow(er)

Number of dependents claimed on your 2019 federal return
Number of dependents claimed that were under the age of 6 years on December 31, 2019
Number of taxpayers age 65 or older, as of December 31, 2019

DEPENDENTS

Table with 5 columns: First name, Last name, Social Security Number, Relationship, Date of birth (MM/DD/YYYY)



INCOME AND ADJUSTMENTS

Your SSN _____

2019

1 Enter federal taxable income from your federal form. If zero or less, enter zero here Nonresident filers complete Schedule NR and enter total from line 48 on line 5 below ▶	1	Dollars	00
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ADDITIONS TO FEDERAL TAXABLE INCOME

a State tax addback, if itemizing on federal return (see instructions) ▶	a	00	
b Out-of-state losses Type: _____ ▶	b	00	
c Expenses related to National Guard and Military Reserve Income ▶	c	00	
d Interest income on obligations of states and political subdivisions other than South Carolina ▶	d	00	
e Other additions to income. Attach explanation. (see instructions) ▶	e	00	
2 Add line a through line e and enter the total here. These are your total additions ▶	2		00
3 Add line 1 and line 2 and enter the total here ▶	3		00

SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

f State tax refund, if included on your federal return ▶	f	00	
g Total and permanent disability retirement income, if taxed on your federal return ▶	g	00	
h Out-of-state income/gain (do not include personal service income) Check type of income/gain: <input type="checkbox"/> Rental <input type="checkbox"/> Business <input type="checkbox"/> Other _____ ▶	h	00	
i 44% of net capital gains held for more than one year ▶	i	00	
j Volunteer deductions (see instructions) Type: _____ ▶	j	00	
k Contributions to the SC College Investment Program ("Future Scholar") or the SC Tuition Prepayment Program ▶	k	00	
l Active Trade or Business Income deduction (see instructions) ▶	l	00	
m Interest income from obligations of the US government ▶	m	00	
n Certain nontaxable National Guard or Reserve pay ▶	n	00	
o Social Security and/or railroad retirement, if taxed on your federal return . . ▶	o	00	
p Retirement Deduction (see instructions)			
p-1 Taxpayer (date of birth: _____) ▶	p-1	00	
p-2 Spouse (date of birth: _____) ▶	p-2	00	
p-3 Surviving spouse (date of birth of deceased spouse: _____) ▶	p-3	00	
Military Retirement Deduction (see instructions)			
p-4 Taxpayer (date of birth: _____) ▶	p-4	00	
p-5 Spouse (date of birth: _____) ▶	p-5	00	
p-6 Surviving spouse (date of birth of deceased spouse: _____) ▶	p-6	00	
q Age 65 and older deduction (see instructions)			
q-1 Taxpayer (date of birth: _____) ▶	q-1	00	
q-2 Spouse (date of birth: _____) ▶	q-2	00	
r Negative amount of federal taxable income ▶	r	00	
s Subsistence allowance _____ days @ \$8 ▶	s	00	
t Dependents under the age of 6 years on December 31 of the tax year . . . ▶	t	00	
u Consumer Protection Services ▶	u	00	
v Other subtractions (see instructions) ▶	v	00	
w South Carolina Dependent Exemption (see instructions) ▶	w	00	
4 Add line f through line w and enter the total here. These are your total subtractions ▶	4	<	00 >
5 Residents subtract line 4 from line 3 and enter the difference. Nonresidents enter amount from Schedule NR, line 48. If less than zero, enter zero here. This is your SOUTH CAROLINA INCOME SUBJECT TO TAX ▶	5		00
6 TAX on your South Carolina Income Subject to Tax (see SC1040TT) ▶	6	00	
7 TAX on Lump Sum Distribution (attach SC4972) ▶	7	00	
8 TAX on Active Trade or Business Income (attach I-335) ▶	8	00	
9 TAX on excess withdrawals from Catastrophe Savings Accounts ▶	9	00	
10 Add line 6 through line 9 and enter the total here. This is your TOTAL SOUTH CAROLINA TAX ▶	10		00



NON-REFUNDABLE CREDITS

2019

11 Child and Dependent Care (see instructions)	▶	11		00	
12 Two Wage Earner Credit (see instructions)	▶	12		00	
13 Other nonrefundable credits. Attach SC1040TC and other state returns	▶	13		00	
14 Add line 11 through line 13 and enter the total here. These are your total nonrefundable credits		14			00
15 Subtract line 14 from line 10 and enter the difference. If less than zero, enter zero here		15			00

PAYMENTS AND REFUNDABLE CREDITS

16 SC income tax withheld (attach W-2 or SC41)	▶	16		00	
17 2019 estimated tax payments	▶	17		00	
18 Amount paid with extension	▶	18		00	
19 Nonresident sale of real estate	▶	19		00	
20 Other SC withholding (attach form 1099)	▶	20		00	
21 Tuition tax credit (attach I-319)	▶	21		00	
22 Other refundable credits:					
22a Anhydrous Ammonia (attach I-333)	▶	22a		00	
22b Milk Credit (attach I-334)	▶	22b		00	
22c Classroom Teacher Expenses (attach I-360)	▶	22c		00	
22d Parental Refundable Credit (attach I-361)	▶	22d		00	
22e Motor Fuel Income Tax Credit (attach I-385)	▶	22e		00	
Add line 22a through line 22e and enter the total here. These are your total refundable credits	▶	22			00

AMENDED RETURN: Use Schedule AMD for line 23 calculation.

23 Add line 16 through line 22 and enter the total here. These are your TOTAL PAYMENTS. ▶	23			00
24 If line 23 is larger than line 15, subtract line 15 from line 23 and enter the overpayment	24			00
25 If line 15 is larger than line 23, subtract line 23 from line 15 and enter the amount due	25			00

AMENDED RETURN: Enter the amount from line 24 on line 30. Enter the amount from line 25 on line 31.

26 USE TAX due on online, mail-order, or out-of-state purchases	▶	26		00
Use Tax is based on your county's Sales Tax rate. See instructions for more information.				
If you certify that no Use Tax is due, check here <input type="checkbox"/>				
27 Amount of line 24 to be credited to your 2020 Estimated Tax	▶	27		00
28 Total Contributions for Check-offs (attach I-330)	▶	28		00
29 Add line 26 through line 28 and enter the total here		29		00
30 If line 29 is larger than line 24, go to line 31. Otherwise, subtract line 29 from line 24 and enter the amount to be refunded to you (line 30a check box entry is required) REFUND ▶		30		00

REFUND OPTIONS (subject to program limitations)

30a Mark one refund choice: Direct Deposit (30b required) Debit Card Paper Check

30b Direct Deposit (for US accounts only) Type: Checking Savings

Routing Number (RTN) ▶ Must be 9 digits. The first two numbers of the RTN must be 01 through 12 or 21 through 32.

Bank Account Number (BAN) ▶ 1-17 digits

31 Add line 25 and line 29. If line 29 is larger than line 24, subtract line 24 from line 29, enter the total. This is your tax due	▶	31		00
32 Late filing and/or late payment: Penalties _____ Interest _____ Enter total here ▶		32		00
33 Penalty for Underpayment of Estimated Tax (attach SC2210) Enter exception code from instructions here if applicable _____ ▶		33		00
34 Add line 31 through line 33 and enter the amount you owe here BALANCE DUE ▶		34		00

Pay online using our free tax portal, MyDORWAY, at dor.sc.gov/pay.

I declare that this return and all attachments are true, correct, and complete to the best of my knowledge. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your signature	Date	Spouse's signature (if married filing jointly, BOTH must sign)
I authorize the Director of the SCDOR or delegate to discuss this return, attachments, and related tax matters with the preparer. Yes <input type="checkbox"/> No <input type="checkbox"/>		Preparer's printed name
Paid Preparer's Signature	Date	Check if self-employed <input type="checkbox"/> PTIN
Use Only	Firm name (or yours if self-employed), address, ZIP	FEIN Phone No.

**MAIL TO: REFUNDS OR ZERO TAX: SC1040 Processing Center, PO Box 101100, Columbia, SC 29211-0100
BALANCE DUE: Taxable Processing Center, PO Box 101105, Columbia, SC 29211-0105**

2019 South Carolina Individual Income Tax Table (Revised 7/11/19)

If your taxable income is:			If your taxable income is:			If your taxable income is:			If your taxable income is:			If your taxable income is:		
AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:
			3,000			6,000			11,000			17,000		
0	50	\$0	3,000	3,050	\$0	6,000	6,050	\$90	11,000	11,100	\$310	17,000	17,100	\$678
50	100	\$0	3,050	3,100	\$1	6,050	6,100	\$92	11,100	11,200	\$315	17,100	17,200	\$685
100	150	\$0	3,100	3,150	\$3	6,100	6,150	\$94	11,200	11,300	\$320	17,200	17,300	\$692
150	200	\$0	3,150	3,200	\$4	6,150	6,200	\$96	11,300	11,400	\$325	17,300	17,400	\$699
200	250	\$0	3,200	3,250	\$6	6,200	6,250	\$98	11,400	11,500	\$330	17,400	17,500	\$706
250	300	\$0	3,250	3,300	\$7	6,250	6,300	\$100	11,500	11,600	\$335	17,500	17,600	\$713
300	350	\$0	3,300	3,350	\$9	6,300	6,350	\$102	11,600	11,700	\$340	17,600	17,700	\$720
350	400	\$0	3,350	3,400	\$10	6,350	6,400	\$104	11,700	11,800	\$345	17,700	17,800	\$727
400	450	\$0	3,400	3,450	\$12	6,400	6,450	\$106	11,800	11,900	\$350	17,800	17,900	\$734
450	500	\$0	3,450	3,500	\$13	6,450	6,500	\$108	11,900	12,000	\$355	17,900	18,000	\$741
500	550	\$0	3,500	3,550	\$15	6,500	6,550	\$110	12,000	12,100	\$360	18,000	18,100	\$748
550	600	\$0	3,550	3,600	\$16	6,550	6,600	\$112	12,100	12,200	\$365	18,100	18,200	\$755
600	650	\$0	3,600	3,650	\$18	6,600	6,650	\$114	12,200	12,300	\$371	18,200	18,300	\$762
650	700	\$0	3,650	3,700	\$19	6,650	6,700	\$116	12,300	12,400	\$377	18,300	18,400	\$769
700	750	\$0	3,700	3,750	\$21	6,700	6,750	\$118	12,400	12,500	\$383	18,400	18,500	\$776
750	800	\$0	3,750	3,800	\$22	6,750	6,800	\$120	12,500	12,600	\$389	18,500	18,600	\$783
800	850	\$0	3,800	3,850	\$24	6,800	6,850	\$122	12,600	12,700	\$395	18,600	18,700	\$790
850	900	\$0	3,850	3,900	\$25	6,850	6,900	\$124	12,700	12,800	\$401	18,700	18,800	\$797
900	950	\$0	3,900	3,950	\$27	6,900	6,950	\$126	12,800	12,900	\$407	18,800	18,900	\$804
950	1,000	\$0	3,950	4,000	\$28	6,950	7,000	\$128	12,900	13,000	\$413	18,900	19,000	\$811
			4,000			7,000			13,000			19,000		
1,000	1,050	\$0	4,000	4,050	\$30	7,000	7,100	\$131	13,000	13,100	\$419	19,000	19,100	\$818
1,050	1,100	\$0	4,050	4,100	\$31	7,100	7,200	\$135	13,100	13,200	\$425	19,100	19,200	\$825
1,100	1,150	\$0	4,100	4,150	\$33	7,200	7,300	\$139	13,200	13,300	\$431	19,200	19,300	\$832
1,150	1,200	\$0	4,150	4,200	\$34	7,300	7,400	\$143	13,300	13,400	\$437	19,300	19,400	\$839
1,200	1,250	\$0	4,200	4,250	\$36	7,400	7,500	\$147	13,400	13,500	\$443	19,400	19,500	\$846
1,250	1,300	\$0	4,250	4,300	\$37	7,500	7,600	\$151	13,500	13,600	\$449	19,500	19,600	\$853
1,300	1,350	\$0	4,300	4,350	\$39	7,600	7,700	\$155	13,600	13,700	\$455	19,600	19,700	\$860
1,350	1,400	\$0	4,350	4,400	\$40	7,700	7,800	\$159	13,700	13,800	\$461	19,700	19,800	\$867
1,400	1,450	\$0	4,400	4,450	\$42	7,800	7,900	\$163	13,800	13,900	\$467	19,800	19,900	\$874
1,450	1,500	\$0	4,450	4,500	\$43	7,900	8,000	\$167	13,900	14,000	\$473	19,900	20,000	\$881
1,500	1,550	\$0	4,500	4,550	\$45	8,000	8,100	\$171	14,000	14,100	\$479	20,000	20,100	\$888
1,550	1,600	\$0	4,550	4,600	\$46	8,100	8,200	\$175	14,100	14,200	\$485	20,100	20,200	\$895
1,600	1,650	\$0	4,600	4,650	\$48	8,200	8,300	\$179	14,200	14,300	\$491	20,200	20,300	\$902
1,650	1,700	\$0	4,650	4,700	\$49	8,300	8,400	\$183	14,300	14,400	\$497	20,300	20,400	\$909
1,700	1,750	\$0	4,700	4,750	\$51	8,400	8,500	\$187	14,400	14,500	\$503	20,400	20,500	\$916
1,750	1,800	\$0	4,750	4,800	\$52	8,500	8,600	\$191	14,500	14,600	\$509	20,500	20,600	\$923
1,800	1,850	\$0	4,800	4,850	\$54	8,600	8,700	\$195	14,600	14,700	\$515	20,600	20,700	\$930
1,850	1,900	\$0	4,850	4,900	\$55	8,700	8,800	\$199	14,700	14,800	\$521	20,700	20,800	\$937
1,900	1,950	\$0	4,900	4,950	\$57	8,800	8,900	\$203	14,800	14,900	\$527	20,800	20,900	\$944
1,950	2,000	\$0	4,950	5,000	\$58	8,900	9,000	\$207	14,900	15,000	\$533	20,900	21,000	\$951
			5,000			9,000			15,000			21,000		
2,000	2,050	\$0	5,000	5,050	\$60	9,000	9,100	\$211	15,000	15,100	\$539	21,000	21,100	\$958
2,050	2,100	\$0	5,050	5,100	\$61	9,100	9,200	\$215	15,100	15,200	\$545	21,100	21,200	\$965
2,100	2,150	\$0	5,100	5,150	\$63	9,200	9,300	\$220	15,200	15,300	\$552	21,200	21,300	\$972
2,150	2,200	\$0	5,150	5,200	\$64	9,300	9,400	\$225	15,300	15,400	\$559	21,300	21,400	\$979
2,200	2,250	\$0	5,200	5,250	\$66	9,400	9,500	\$230	15,400	15,500	\$566	21,400	21,500	\$986
2,250	2,300	\$0	5,250	5,300	\$67	9,500	9,600	\$235	15,500	15,600	\$573	21,500	21,600	\$993
2,300	2,350	\$0	5,300	5,350	\$69	9,600	9,700	\$240	15,600	15,700	\$580	21,600	21,700	\$1,000
2,350	2,400	\$0	5,350	5,400	\$70	9,700	9,800	\$245	15,700	15,800	\$587	21,700	21,800	\$1,007
2,400	2,450	\$0	5,400	5,450	\$72	9,800	9,900	\$250	15,800	15,900	\$594	21,800	21,900	\$1,014
2,450	2,500	\$0	5,450	5,500	\$73	9,900	10,000	\$255	15,900	16,000	\$601	21,900	22,000	\$1,021
2,500	2,550	\$0	5,500	5,550	\$75	10,000	10,100	\$260	16,000	16,100	\$608	22,000	22,100	\$1,028
2,550	2,600	\$0	5,550	5,600	\$76	10,100	10,200	\$265	16,100	16,200	\$615	22,100	22,200	\$1,035
2,600	2,650	\$0	5,600	5,650	\$78	10,200	10,300	\$270	16,200	16,300	\$622	22,200	22,300	\$1,042
2,650	2,700	\$0	5,650	5,700	\$79	10,300	10,400	\$275	16,300	16,400	\$629	22,300	22,400	\$1,049
2,700	2,750	\$0	5,700	5,750	\$81	10,400	10,500	\$280	16,400	16,500	\$636	22,400	22,500	\$1,056
2,750	2,800	\$0	5,750	5,800	\$82	10,500	10,600	\$285	16,500	16,600	\$643	22,500	22,600	\$1,063
2,800	2,850	\$0	5,800	5,850	\$84	10,600	10,700	\$290	16,600	16,700	\$650	22,600	22,700	\$1,070
2,850	2,900	\$0	5,850	5,900	\$85	10,700	10,800	\$295	16,700	16,800	\$657	22,700	22,800	\$1,077
2,900	2,950	\$0	5,900	5,950	\$87	10,800	10,900	\$300	16,800	16,900	\$664	22,800	22,900	\$1,084
2,950	3,000	\$0	5,950	6,000	\$88	10,900	11,000	\$305	16,900	17,000	\$671	22,900	23,000	\$1,091

2019 South Carolina Individual Income Tax Table

If your taxable income is:			If your taxable income is:			If your taxable income is:			If your taxable income is:			If your taxable income is:		
AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:	AT LEAST	BUT LESS THAN	Your tax is:
83,000			87,000			91,000			95,000			99,000		
83,000	83,100	\$5,298	87,000	87,100	\$5,578	91,000	91,100	\$5,858	95,000	95,100	\$6,138	99,000	99,100	\$6,418
83,100	83,200	\$5,305	87,100	87,200	\$5,585	91,100	91,200	\$5,865	95,100	95,200	\$6,145	99,100	99,200	\$6,425
83,200	83,300	\$5,312	87,200	87,300	\$5,592	91,200	91,300	\$5,872	95,200	95,300	\$6,152	99,200	99,300	\$6,432
83,300	83,400	\$5,319	87,300	87,400	\$5,599	91,300	91,400	\$5,879	95,300	95,400	\$6,159	99,300	99,400	\$6,439
83,400	83,500	\$5,326	87,400	87,500	\$5,606	91,400	91,500	\$5,886	95,400	95,500	\$6,166	99,400	99,500	\$6,446
83,500	83,600	\$5,333	87,500	87,600	\$5,613	91,500	91,600	\$5,893	95,500	95,600	\$6,173	99,500	99,600	\$6,453
83,600	83,700	\$5,340	87,600	87,700	\$5,620	91,600	91,700	\$5,900	95,600	95,700	\$6,180	99,600	99,700	\$6,460
83,700	83,800	\$5,347	87,700	87,800	\$5,627	91,700	91,800	\$5,907	95,700	95,800	\$6,187	99,700	99,800	\$6,467
83,800	83,900	\$5,354	87,800	87,900	\$5,634	91,800	91,900	\$5,914	95,800	95,900	\$6,194	99,800	99,900	\$6,474
83,900	84,000	\$5,361	87,900	88,000	\$5,641	91,900	92,000	\$5,921	95,900	96,000	\$6,201	99,900	100,000	\$6,481
84,000	84,100	\$5,368	88,000	88,100	\$5,648	92,000	92,100	\$5,928	96,000	96,100	\$6,208	\$100,000 or more use tax rate schedule below		
84,100	84,200	\$5,375	88,100	88,200	\$5,655	92,100	92,200	\$5,935	96,100	96,200	\$6,215			
84,200	84,300	\$5,382	88,200	88,300	\$5,662	92,200	92,300	\$5,942	96,200	96,300	\$6,222			
84,300	84,400	\$5,389	88,300	88,400	\$5,669	92,300	92,400	\$5,949	96,300	96,400	\$6,229			
84,400	84,500	\$5,396	88,400	88,500	\$5,676	92,400	92,500	\$5,956	96,400	96,500	\$6,236			
84,500	84,600	\$5,403	88,500	88,600	\$5,683	92,500	92,600	\$5,963	96,500	96,600	\$6,243			
84,600	84,700	\$5,410	88,600	88,700	\$5,690	92,600	92,700	\$5,970	96,600	96,700	\$6,250			
84,700	84,800	\$5,417	88,700	88,800	\$5,697	92,700	92,800	\$5,977	96,700	96,800	\$6,257			
84,800	84,900	\$5,424	88,800	88,900	\$5,704	92,800	92,900	\$5,984	96,800	96,900	\$6,264			
84,900	85,000	\$5,431	88,900	89,000	\$5,711	92,900	93,000	\$5,991	96,900	97,000	\$6,271			
85,000			89,000			93,000			97,000					
85,000	85,100	\$5,438	89,000	89,100	\$5,718	93,000	93,100	\$5,998	97,000	97,100	\$6,278			
85,100	85,200	\$5,445	89,100	89,200	\$5,725	93,100	93,200	\$6,005	97,100	97,200	\$6,285			
85,200	85,300	\$5,452	89,200	89,300	\$5,732	93,200	93,300	\$6,012	97,200	97,300	\$6,292			
85,300	85,400	\$5,459	89,300	89,400	\$5,739	93,300	93,400	\$6,019	97,300	97,400	\$6,299			
85,400	85,500	\$5,466	89,400	89,500	\$5,746	93,400	93,500	\$6,026	97,400	97,500	\$6,306			
85,500	85,600	\$5,473	89,500	89,600	\$5,753	93,500	93,600	\$6,033	97,500	97,600	\$6,313			
85,600	85,700	\$5,480	89,600	89,700	\$5,760	93,600	93,700	\$6,040	97,600	97,700	\$6,320			
85,700	85,800	\$5,487	89,700	89,800	\$5,767	93,700	93,800	\$6,047	97,700	97,800	\$6,327			
85,800	85,900	\$5,494	89,800	89,900	\$5,774	93,800	93,900	\$6,054	97,800	97,900	\$6,334			
85,900	86,000	\$5,501	89,900	90,000	\$5,781	93,900	94,000	\$6,061	97,900	98,000	\$6,341			
86,000	86,100	\$5,508	90,000	90,100	\$5,788	94,000	94,100	\$6,068	98,000	98,100	\$6,348			
86,100	86,200	\$5,515	90,100	90,200	\$5,795	94,100	94,200	\$6,075	98,100	98,200	\$6,355			
86,200	86,300	\$5,522	90,200	90,300	\$5,802	94,200	94,300	\$6,082	98,200	98,300	\$6,362			
86,300	86,400	\$5,529	90,300	90,400	\$5,809	94,300	94,400	\$6,089	98,300	98,400	\$6,369			
86,400	86,500	\$5,536	90,400	90,500	\$5,816	94,400	94,500	\$6,096	98,400	98,500	\$6,376			
86,500	86,600	\$5,543	90,500	90,600	\$5,823	94,500	94,600	\$6,103	98,500	98,600	\$6,383			
86,600	86,700	\$5,550	90,600	90,700	\$5,830	94,600	94,700	\$6,110	98,600	98,700	\$6,390			
86,700	86,800	\$5,557	90,700	90,800	\$5,837	94,700	94,800	\$6,117	98,700	98,800	\$6,397			
86,800	86,900	\$5,564	90,800	90,900	\$5,844	94,800	94,900	\$6,124	98,800	98,900	\$6,404			
86,900	87,000	\$5,571	90,900	91,000	\$5,851	94,900	95,000	\$6,131	98,900	99,000	\$6,411			

2019 Tax Rate Schedule for taxable income of \$100,000 or more

Important: You must use the Tax Tables instead of this Tax Rate Schedule if your taxable income is less than \$100,000.

Use this Tax Rate Schedule for any filing status claimed on the SC1040.

If the amount on SC1040, line 5 is **\$100,000 or more:**

Example of Tax Rate Schedule Computation

1. Multiply the amount on line 5 by 7% (.07);
2. Subtract \$515; and
3. Enter the difference on line 6.

If South Carolina income subject to tax on SC1040, line 5 is \$101,000, the tax is calculated as follows:

\$101,000	income from SC1040, line 5
X .07	(7%)
7,070	
- 515	subtract \$515 (constant)
\$6,555	amount of tax, entered on line 6 of SC1040