



## SC SCH. TC-2 INSTRUCTIONS

A taxpayer having a contract with the State of South Carolina who subcontracts with a socially and economically disadvantaged small business may claim an income tax credit of 4% of the payments to that subcontractor for work pursuant to the contract. The subcontractor must be certified as a socially and economically disadvantaged small business as defined in Section 11-35-5010 and regulations pursuant to it.

The credit used may not exceed \$50,000 in a single year. The credit may be claimed for 10 consecutive tax years beginning with the tax year in which the first payment is made to the subcontractor that qualifies for the credit. After 10 consecutive taxable years, the taxpayer is no longer eligible for the credit.

A taxpayer claiming the credit shall maintain evidence of work performed for the contract by the subcontractor.

**NOTE:** If filing a paper return, attach to your Income Tax Return. If filing electronically, keep a copy with your tax records.

### **Social Security Privacy Act Disclosure**

It is mandatory that you provide your social security number on this tax form if you are an individual taking this credit. 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 SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

### **The Family Privacy Protection Act**

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.