

1350

STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**WATER RESOURCES CREDIT**

**SC SCH.TC-3**

(Rev. 8/16/19)  
3116

**20** \_\_\_\_\_

**dor.sc.gov**

Name

SSN or FEIN

Location of property: Street address

County

City

State

ZIP

- 1. Construction and installation cost of ponds, lakes, water impoundments or water control structures ..... 1. \_\_\_\_\_
- 2. Cost of restoration of ponds, lakes, or water impoundments (See instructions for items included in restoration cost) ..... 2. \_\_\_\_\_
- 3. **Total** (add line 1 and line 2) ..... 3. \_\_\_\_\_
- 4. Multiply line 3 by 25% (.25) ..... 4. \_\_\_\_\_
- 5. Maximum amount of credit allowed ..... 5. **\$2,500**
- 6. Enter the lesser of lines 4 or 5 here and on the appropriate tax credit schedule. .... 6. \_\_\_\_\_

**REQUIRED:** Attach a construction permit issued by the South Carolina Department of Health and Environmental Control (SCDHEC) or proof of permit exemption issued by SCDHEC, the Natural Resources Conservation Service, or a local Soil and Water Conservation District.

**INSTRUCTIONS**

The Water Resources Credit encourages the construction of water storage and control structures for soil and water conservation, wildlife management, agriculture, and aquiculture purposes.

This tax credit does NOT apply to any pond, lake, or other water impoundment or water control structure located in or adjacent to and filled primarily by coastal waters of the state.

An Income Tax credit is allowed for 25% of all allowable expenditures for the construction, installation, or restoration of ponds, lakes, other water impoundments, and water control structures designed for the purposes of water storage for irrigation, water supply, sediment control, erosion control or aquiculture and wildlife management.

The credit is limited to \$2,500. The maximum credit limit of \$2,500 is determined at the entity level for pass-through entities.

If the credit exceeds the tax liability, the excess may be carried forward for the next five taxable years.

"Restoration" of ponds, lakes, other water impoundments, and water control structures includes all materials and services for:

- changing the height of a dam
- increasing the spillway capacity of a dam
- removing sediment from an impoundment
- adjusting the water depth to improve an impoundment for aquaculture or wildlife management
- removing trees greater than four inches in diameter from a dam, including removing stumps and replacing with impervious material
- installing a filter or drainage system to control seepage through a dam
- costs related to work requiring excavation into the embankment fill or foundation of a dam (for example, replacing deteriorated pipe)
- costs related to work requiring removal or replacement of major structural components of a dam (for example, replacing deteriorated concrete, gates, etc.)
- any other work to improve the capacity, service, or safety of a water impoundment or water control structure

"Restoration" **does not** include:

- routine care (cutting grass, etc.)
- reseeding eroded embankment and shore areas
- removing brush and small trees (up to four inches in diameter) from a dam
- replacing stop logs or flash boards with identical components
- sealing cracks in spillway slabs
- replacing trash guards
- replacing or repairing any component of a water supply or irrigation system when the work is done on a component that is not part of the dam, water impoundment, or their appurtenant works
- any other work that does not improve the capacity, service, or safety of a water impoundment or water control structure

If you file by paper, attach to your Income Tax return. If you file electronically, keep a copy with your tax records.

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

It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 42 U.S.C. 405(c)(2)(C)(i) permits a state to use an individual's Social Security Number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.

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

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