Use this form to claim a credit against Income Tax. Use WH1670 to claim a credit against Employee Withholding.

1. Enter the amount of credit against Income Tax, as certified this year by the Coordinating Council for Economic Development ................................................................. 1. 
2. Enter the amount of credit carried forward from previous years .......................................................... (Unused credits may be carried forward for five years.) 2. 
3. Add line 1 and line 2. This is your total credit available ................................................................. 3. 
4. Enter your current year tax liability ........................................................................................................ 4. 
5. Enter the lesser of line 3 and line 4. This is the amount of credit you can use in the current year.......... 5. 
6. Subtract line 5 from line 3. This is your unused credit to carry forward to future years ....................... 6. 

INSTRUCTIONS

The port cargo volume credit or port transportation credit is available for taxpayers at a facility in South Carolina engaged in:

- manufacturing
- warehousing
- freight forwarding
- freight handling
- goods processing
- cross docking
- transloading
- wholesaling of goods
- distribution

Credits can be claimed against either Income Tax or Employee Withholding. The Income Tax credit can be claimed against Corporate Income Tax or the tax on the pass through active trade or business income of individuals, trusts, and estates. The Coordinating Council for Economic Development (Council) will determine the amount and type of credit a taxpayer can claim.

Port Cargo Volume Credit

The port cargo volume credit is available for taxpayers who increase their port cargo volume at South Carolina facilities by at least 5% over their base year port cargo volume in a calendar year.

The Council has sole discretion in allocating credits and must consider the following factors:

- the amount of base year port cargo volume
- the total and percentage increase in port cargo volume, and
- factors related to the economic benefit of the state or other factors.

A taxpayer must submit an application to the Council after each calendar year in which the increase in port cargo volume occurs. Each application must include a schedule with the following information:

- a description of how the base year port cargo volume and the increase in port cargo volume was determined
- the amount of the base year port cargo volume
- the amount of the increase in port cargo volume for the taxable year stated both as a percentage increase and as a total increase in net tons of non-containerized cargo, measurement of cargo, and TEUs of cargo
  - include information showing an increase in port cargo volume greater than or equal to the minimum amount required to claim the tax credits
- any tax credit used by the taxpayer in prior years, and
- the amount of tax credit carried forward from prior years.
The Council may award credit to a taxpayer engaged in the movement of goods imported or exported through South Carolina's port facilities if the cargo supports a presence in the state and the taxpayer does not have a distribution center in the state at the time of initial approval of the credit, if:

- the taxpayer employs at least 250 full-time or full-time equivalent South Carolinians in operations statewide
- the taxpayer completes the construction of the distribution facility in South Carolina, and it is operational within five years of the initial approval of the port volume tax credit, and
- the base year for the taxpayer is at least 5,000 TEUs or its non-containerized equivalent.

A credit certificate expires three years after it is issued if satisfactory proof has not been received. A taxpayer who fails to meet the requirements at the end of the five year period must repay the SCDOR a pro rata portion of the credits claimed.

Port Transportation Credit

The Council may award a qualifying taxpayer a port transportation credit for its transportation costs. The maximum amount of port transportation credits allowed to all taxpayers is:

- $1 million for the 2019 calendar year
- $2 million for the 2020 calendar year
- $3 million for calendar years after 2020

The port transportation credit is not available for any tax year after the year in which a port in Jasper County is opened and accepting shipments. Submit an application for the port transportation credit to the Council after the calendar year for which you wish to claim the credit.

How to claim credits

Taxpayers must submit applications to the Council for the port volume cargo credit or the port transportation credit. A taxpayer may not claim a port volume cargo credit and a port transportation credit in the same tax year. The Council will issue a form certifying the amount of credit available, and if the credit is for Income Tax or Withholding Tax. The Council may allocate credits on a monthly, quarterly, or annual basis. The amount of credits awarded to all taxpayers in a calendar year cannot be more than $15 million.

Use the SC SCH TC-30 to claim a port volume cargo credit or a port transportation credit against Income Tax. Include a copy of the certification from the Council. If you are filing by paper, attach to your tax return. If you are filing electronically, keep with your tax records.

Use the WH1670 to claim a credit against Withholding Tax.

If the Income Tax credit is greater than your tax liability, you can carry forward any excess amount for five years to use against Income Tax.

The SCDOR and the South Carolina Department of Commerce may exchange information submitted by a taxpayer claiming this credit.
Definitions

**TEU** means a 20-foot equivalent unit. This is a volumetric measure based on the size of a container 20 feet long x 8 feet wide x 8 feet, 6 inches high. A **weighted TEU** is equal to seven and one-half tons. A **measured TEU** is equal to thirty-eight and one-half cubic meters.

**Base year port cargo volume** initially means the total amount of net tons of non-containerized cargo, measured equivalent of non-cargo or TEUs of cargo actually transported by way of a waterborne ship through a port facility during the period from January 1st through December 31st of the same year. Base year port cargo volume must be at least 75 net tons of non-containerized cargo, 385 cubic meters, or 10 TEUs for a taxpayer to be eligible for the credits. For a taxpayer that does not ship that amount in the year ending December 31st of the previous year, including a taxpayer who locates in South Carolina after December 31st of the previous year, base cargo volume will be measured by the initial January 1st through December 31st calendar year in which it meets the requirements of 75 net tons of non-containerized cargo, 385 cubic meters, or 10 loaded TEUs. Base year port cargo volume must be recalculated each calendar year after the initial base year.

**Port facility** means any publicly or privately owned facility located in South Carolina through which cargo is transported by way of a waterborne ship or vehicle to or from destinations outside the state and which handles cargo owned by third parties in addition to cargo owned by the port facility's owner.

**Port cargo volume** means the total amount of net tons of non-containerized cargo or containers measured in 20-foot equivalent units (TEUs) of cargo transported by way of a waterborne ship or vehicle through a port facility, or measured cubic meters of cargo.

**Transportation costs** means the costs of transporting freight, goods, and materials to and from port facilities in South Carolina.

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.