



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**NEW JOBS CREDIT FOR
PROFESSIONAL SPORTS TEAMS**

Name _____ SSN or FEIN _____

Name of professional sports team and FEIN, if different from above _____

If credit was received from a pass-through entity, name and FEIN of entity _____

Street address of professional sports team park _____

County _____ City _____ State _____ ZIP _____

Number of full-time employees subject to withholding during each month:

Month	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	20__	20__	20__	20__	20__	20__	20__
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
Line 1: Total employees (add months 1 through 12).....							
Line 2: Number of months in operation.....							
Line 3: Monthly average of full-time employees (divide line 1 by line 2).....							
Line 4: Previous year average (see instructions).....							
Line 5: Average increase in full-time employees (subtract line 4 from line 3).....							

Employees eligible for credit:

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Line 6: Year 1 increase.....						
Line 7: Year 2 increase.....						
Line 8: Year 3 increase.....						
Line 9: Year 4 increase.....						
Line 10: Year 5 increase.....						
Line 11: Year 6 increase.....						
Line 12: Number of new jobs for credit (add line 6 through line 11).....						

Credit calculation:

	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Line 13: Amount of credit per employee (see instructions).....						
Line 14: Eligible credit (multiply line 12 by line 13).....						
Line 15: Credit carryover from prior year.....						
Line 16: Total credit available (add line 14 and line 15).....						
Line 17: Tax liability.....						
Line 18: Credit limit (multiply line 17 by 50%).....						
Line 19: Allowable credit (lesser of line 16 or line 18).....						
Line 20: Credit carryforward (subtract line 19 from line 16).....						

Line 21: Number of new full-time jobs created in South Carolina 21. _____

Line 22: Number of employees listed above who are South Carolina residents. 22. _____

Line 23: Number of employees listed above who are **NOT** South Carolina residents 23. _____

Line 24: Average cash compensation of new full-time jobs created in South Carolina 24. _____

INSTRUCTIONS

Use the TC-4P only if you are a professional sports team claiming the credit for creating new jobs in South Carolina. All other qualifying taxpayers with 100 or more employees should use the TC-4, New Jobs Credit. Qualifying taxpayers with 99 or fewer employees should use the TC-4SA, Accelerated Small Business Jobs Tax Credit, or TC-4SB, Small Business Jobs Credit.

In order to qualify for the credit, a professional sports team must have at least 150 full-time employees in South Carolina. New full-time jobs must be created in South Carolina by July 1, 2022, or the professional sports team must have entered into a revitalization agreement with the South Carolina Coordinating Council for Economic Development before July 1, 2022.

Job requirements:

Calculate the number of new and additional new full-time jobs by comparing the monthly average number of full-time employees subject to South Carolina Income Tax withholding during the tax year with the monthly average of the previous tax year. To calculate the monthly average, use the actual months in operation or a full 12-month period. If the business is in operation for less than 12 months in a year, use the monthly average for the months in operation to calculate the number of new full-time jobs.

County rankings:

Each year, the SCDOR ranks South Carolina counties using income and unemployment data from the South Carolina Department of Employment and Workforce and the US Department of Commerce. You can find Information Letters with the rankings for each year at dor.sc.gov/policy. The counties with a combination of the highest unemployment rate and lowest per capita income are designated as Tier IV counties. The counties with a combination of the lowest unemployment rate and highest per capita income are designated as Tier I counties. County designations are effective for tax years that begin in the following calendar year.

The credit amount is based on the county designation at the time the jobs are created. If the county designation changes in a future year, the credit amount does not change. If additional new jobs are created in future years, the credit amount for those jobs is based on the county designation at the time the jobs are created.

A taxpayer planning a significant expansion can file the SC616, Notification to Lock In County Designation, before creating the new jobs to lock in the current year Tier II, III, or IV county designation. This will allow the taxpayer to use the current-year designation in the future when the jobs are created. If the actual county designation in the year the jobs are created is more favorable, the taxpayer is not required to use the designation locked in by the SC616. You can find the SC616 at dor.sc.gov/forms.

Amount of credit:

Beginning in 2019, the amount of the initial job credit for each new full-time job created is:

- \$25,000 for Tier IV counties
- \$20,250 for Tier III counties
- \$2,750 for Tier II counties
- \$1,500 for Tier I counties

Taxpayers can receive an additional \$1,000 credit for each new full-time job located in a business or industrial park jointly established and developed by a group of counties. The additional credit is available for five years beginning in the tax year after the job was created.

Taxpayers can receive an additional \$1,000 credit for each new full-time job located on property where a response action has been completed based on a non-responsible party voluntary cleanup contract under the Brownfields Voluntary Cleanup Program. The additional credit is available for five years beginning in the tax year after the job was created. No additional credit is available if the taxpayer is considered a responsible party.

Except for employees in Tier IV counties, the maximum amount of combined New Jobs Credit (TC-4, TC-4P, TC-4SA, or TC-4SB) and Employer Credit (TC-12) that may be claimed for a single employee is \$5,500.

Taking the credit:

The credit is available for five years, beginning in Year 2 after the new jobs are created. No credit is allowed for the year, or any following year, if the net employment increase falls below the minimum level required for the credit (generally 10 jobs).

If the taxpayer creates additional new full-time jobs in Years 2-6, they may receive a credit for those new jobs for five years following the year in which the job is created.

Credits are only allowed for the job level maintained in the year the credit is claimed. If the job level decreases, the five-year eligibility period for the credit continues to run.

The amount of credit that can be taken in a tax year is limited to 50% of the taxpayer's tax liability.

If you are taking multiple tax credits, calculate credit limitations one credit at a time. Credit limitations are based on the remaining tax liability after other credits have been taken. Credits can be taken in any order, unless otherwise provided in the statute allowing a particular credit. For more information, refer to the South Carolina Tax Incentives for Economic Development publication, found at dor.sc.gov/policy-manuals.

Unused credits can be carried forward for 15 years from the year in which they were earned. The credit carryforward must be used in the order the credits were earned and cannot be used before job credits earned in the current year. If you are claiming a credit carryforward, attach a schedule detailing the year the credits were earned and the amounts used in each tax year. Taxpayers claiming the New Jobs Credit and the Corporate Tax moratorium may carry forward unused credit amounts until after the moratorium period expires.

Pass-through entities:

A partnership, S Corporation, or Limited Liability Company (LLC) taxed as a partnership or S Corporation may pass the credit earned to each partner, shareholder, or member. An S Corporation must first use the credit against any Corporate Income Tax due at the entity level. Any credit remaining passes through to the shareholders.

To calculate the amount of credit to pass through, multiply the partner's interest in the partnership, the shareholder's percentage of stock ownership, or the member's interest in the LLC for the tax year by the amount of credit earned by the partnership, S Corporation, or LLC. The credit taken on the partner's, shareholder's, or member's tax return cannot be greater than 50% of their tax liability. Unused credits can be carried forward by the partner, shareholder, or member for 15 years from the year in which the credit was earned. The partnership, S Corporation, or LLC does not carry forward any credit that was passed through to partners, shareholders, or members.

If you are a partner, shareholder, or member claiming the credit, begin with line 14, and enter the amount of credit passed through by the partnership, S Corporation, or LLC on the South Carolina K-1.

Credit transfer:

A merger, consolidation, or reorganization where tax attributes survive does not create new eligibility in the succeeding taxpayer. Unused job tax credits may be transferred and continued by the succeeding taxpayer, but they are subject to the limitations on credits provided in Internal Revenue Code Section 383. If one taxpayer transfers to another taxpayer all, or substantially all, of its assets, or the assets of a trade or business or operating division related to the generation of the tax credits, then they may also assign the rights to the job tax credits. The required number of new jobs for that amount of credit must be maintained for the transfer of credits to be allowed.

Definitions:

Taxpayer is a sole proprietor, partnership, corporation, LLC, or association subject to South Carolina Corporate or Individual Income Tax, Bank Tax, or Insurance Premium Tax.

New job is a job created in South Carolina at the time a new facility or an expansion is initially staffed. A new job does not include a job transferred from one site to another site by the taxpayer or a related person, unless the job is transferred to a county where a federal facility has reduced its permanent employment by 3,000 or more jobs after December 31, 1990.

New job includes jobs reinstated when the employer has rebuilt the facility after:

- more than 50% of it was destroyed by accidental fire, natural disaster, or act of God
- involuntary conversion took place through condemnation or exercise of eminent domain by the federal government or by South Carolina or one of its political subdivisions

The year of reinstatement is the year a reinstated job was created. All reinstated jobs qualify for the credit. You are not required to compare the number of full-time jobs in the tax year with the number of full-time jobs in the prior tax year.

Full-time job is a job requiring a minimum of 35 hours of an employee's time each week for the entire normal year of company operations or for a year in which the employee was initially hired for or transferred to the South Carolina facility. Two half-time jobs are considered one full-time job.

Half-time job is a job requiring a minimum of 20 hours of an employee's time a week for the entire normal year of the company's operations or for a year in which the employee was initially hired for or transferred to the South Carolina facility.

Professional sports team is a sports team or club included in a professional league primarily participating in live sporting events before a paying audience. It has an annual payroll for federal tax purposes of at least \$190 million and at least 150 full-time employees in South Carolina

For a professional sports team, new job means all jobs located at the professional sports team park, even if an employee worked in South Carolina as an employee of the same professional sports team before 2019.

For members of a professional sports team, full-time job means a job requiring a minimum of 180 days of an employee's time a year. At least 80% of those days must be spent at a professional sports team park located in South Carolina.

Professional sports team park is a sports facility designed for use primarily as a professional park or stadium. It includes:

- practice fields
- parking areas and facilities
- office facilities for team use or other users authorized by the team
- ancillary facilities necessary for the sports facility
- landscaped grounds surrounding the park, stadium, and ancillary facilities

Members of a professional sports team includes:

- active players
- players on the disabled list
- coaches
- managers
- trainers
- any other people required to travel and who do travel with and perform services on behalf of the team on a regular basis

Line instructions:

Enter your name and SSN or FEIN.

Enter the name and FEIN of the professional sports team, if different from the name of the taxpayer claiming the credit.

If you are an individual or corporation receiving the credit from a pass-through entity, enter the name and FEIN of the entity, then begin with line 14 and enter the amount of credit shown on your South Carolina K-1 as passed through from the entity.

Enter the address of the professional sports team park where the new jobs are created. Include the county where the professional sports team park is located.

Enter the number of full-time employees subject to withholding each month. Year 1 is the tax year of the new jobs increase. Base year is the previous tax year.

Line 1: Add the number of employees from months 1 through 12. This is the number of total employees subject to South Carolina withholding in the applicable county for the year.

Line 2: Enter the number of months that you were in operation during the tax year.

Line 3: Divide line 1 by line 2. Round down to the nearest whole number. This is the monthly average of full-time employees.

Line 4: Enter the monthly average of full-time employees from line 3 of the immediately previous year column.

Line 5: Subtract line 4 from line 3. Enter a negative number in parentheses. This is the average increase (or decrease) in full-time employees for the year.

Line 6: Enter the increase for Year 1. New jobs are eligible for the credit for five years and are taken beginning the year after the jobs are created. New jobs created in Year 1 are eligible for the credit for Years 2-6.

- If line 5 of the Year 1 and Year 2 columns both show job increases, enter the amount from line 5 of the Year 1 column on line 6.
- If line 5 of the Year 1 column shows a job increase and line 5 of the Year 2 column shows a decrease, combine the two and enter the total on line 6.
- If the job increase falls below the minimum required (usually 10), no credit is allowed. The total job increase is the monthly average of full-time employees (line 3) for the current year column minus the amount in the Base Year column.

Line 7: Enter the increase for Year 2. New jobs created in Year 2 are eligible for the credit for Years 3-7.

- If line 5 of the Year 1, Year 2, and Year 3 columns all show job increases, enter the amount from line 5 of the Year 2 column on line 7.
- If line 5 of the Year 1 and Year 2 columns show job increases, and line 5 of the Year 3 column shows a decrease, combine the increase from line 5 of the Year 2 column with the decrease from line 5 of the Year 3 column. Enter the total on line 7. Enter a negative amount in parentheses.
- If line 5 of the Year 1 column shows an increase, line 5 of the Year 2 column shows a decrease, and line 5 of the Year 3 column shows an increase, enter zero on line 7. The Year 2 decrease was already included in the amount on line 6.
- If line 5 of the Year 1 column shows an increase, and line 5 of the Year 2 and Year 3 columns both show a decrease, enter the line 5 decrease amount for Year 3 as a negative number (in parentheses) on line 7.

Line 8 through line 11: Continue using the directions for line 6 and line 7.

- Job increases are only available beginning the year after the jobs are created.
- Only include the increases for additional new jobs created in Years 2-6. To claim jobs created after Year 6, you must have a new expansion and increase of at least 10 jobs to begin a new credit period.
- Jobs are eligible for the credit for five years. If you need more space for future years, attach additional TC-4Ps or a schedule showing all of the information included on the TC-4P. You can also attach separate completed TC-4Ps if additional new jobs created in Years 2-6 have different county designations from the jobs created in Year 1.
- Job increases of less than the minimum amount (generally 10 jobs) cannot be included unless they are maintained during the year following the increase.
- If job decreases occur, the jobs available for the credit cannot be more than the difference in the current year number of jobs and the number of jobs in the Base Year column.
- A job increase following a job decrease must be maintained for a year to qualify for the credit.

Line 12: Add line 6 through line 11. This is the number of new jobs available for the credit.

Line 13: Enter the amount of credit available for each employee. Use the country designation in effect at the time the job was created. If you filed an SC616, use the greater of the county designation at the time the SC616 was filed or at the time the job was created. Add the additional credit amount for new jobs located in qualifying business or industrial parks or at brownfields project sites.

Line 14: Multiply line 12 by line 13. This is the amount of credit earned this tax year. If you are a partner, shareholder, or member receiving the credit from a partnership, S Corporation, or LLC, begin with this line and enter the amount of credit passed through on a South Carolina K-1.

Line 15: Enter any credit carried over from a prior year. If claiming a credit carryforward, attach a schedule showing when the credit was earned, the amount of credit earned, and the amounts taken in prior years.

Line 16: Add line 14 and line 15. This is the total credit available for you this year.

Line 17: Enter your tax liability from line 10 of the SC1040, line 9 of the SC1120, line 7 of the SC1120S, line 7 of the SC1120U, line 5 of the SC1101B, or line 8 of the SC1041.

Line 18: Multiply line 17 by 50%. The credit is limited to 50% of your tax liability.

Line 19: Enter the lesser of line 16 or line 18. This is the amount of credit you are able to take this tax year. If you are taking other tax credits, calculate credit limitations one credit at a time.

Line 20: Subtract line 19 from line 16. This is the amount of unused credit able to be carried forward. Credits can be carried forward for up to 15 years.

See the TC-4 instructions for examples.

Line 21: Enter the total number of new full-time jobs created in South Carolina. A professional sports team must create at least 150 jobs in South Carolina to be eligible for the credit.

Line 22: Enter the number of South Carolina employees included on line 21 who are also South Carolina residents.

Line 23: Enter the number of South Carolina employees included on line 21 who are **not** South Carolina residents.

Line 24: Enter the average cash compensation of the new full-time jobs created in South Carolina.

Find more information about the New Jobs Credit at dor.sc.gov/policy, including:

- SC Revenue Ruling #99-5: a question and answer advisory opinion about the 1996 version of the credit
- SC Revenue Ruling #05-5: an advisory opinion defining expansion
- Information Letters with county designations for each year
- South Carolina Tax Incentives for Economic Development: a manual with descriptions of tax credits
- Any future or updated advisory opinions relating to the credit

If you are filing by paper, attach a copy of this form to your tax return. If you are filing electronically, include the information from this form when you file your return. Keep a copy of the form for your 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.