



## Application for Angel Investor Credit | SC SCH. TC-56A

Revised 6/28/2021

File online at [MyDORWAY.dor.sc.gov](https://MyDORWAY.dor.sc.gov)

This document provides general information about the Angel Investor Credit Application. If you do not have a MyDORWAY account, get started at [dor.sc.gov/MyDORWAY-signup](https://dor.sc.gov/MyDORWAY-signup).

### Setting up your MyDORWAY account:

You'll need the following information to sign up for a MyDORWAY account.

- Your SSN, FEIN, or South Carolina ID (SID)
- One of the following:
  - Your last South Carolina Income Tax payment amount
  - Your last South Carolina Income Tax refund amount
  - Line 1 from your last South Carolina Income Tax return.

Taxpayers who are Angel Investors are required to apply for the Angel Investor Credit by December 31st using MyDORWAY, our secure online tax portal, available at [MyDORWAY.dor.sc.gov](https://MyDORWAY.dor.sc.gov).

If you have not previously filed a South Carolina Income Tax Return, you will need to request a Letter ID to set up your MyDORWAY logon account. Email your request to [TaxTech@dor.sc.gov](mailto:TaxTech@dor.sc.gov). Use **Letter ID** as the subject line of your email.

### If applying for the Angel Investor Credit as an individual, include the following information in your email:

- Entity Type
  - Individual
  - LLC (disregard)
  - Grantor Trust
- Name
- SSN or FEIN
- Spouse's Name (if applying jointly)
- Spouse's SSN (if applying jointly)
- Your address, phone number, and email address

### If applying for the Angel Investor Credit as a pass-through entity, include the following information in your email:

- Entity type
  - Non-Grantor Trust
  - LLC (filing as Partnership)
  - LLC (filing as S-Corp)
  - Partnership
  - S-Corporation
  - Corporation
- Entity Name
- FEIN
- Your address, phone number, and email address
- Contact Person Name

Once your email has been processed, we will mail you a letter with a Letter ID or requesting additional information.

### Follow steps for setting up your MyDORWAY Account:

1. Go to [dor.sc.gov/MyDORWAY](https://dor.sc.gov/MyDORWAY)
2. Select **Individual** or **Business Owner** as your access type
3. Verify your information

### Follow these steps for submitting your Angel Investor Credit Application:

- Log in to MyDORWAY
- Under the **Accounts** tab, scroll to your **Individual Income Tax**, **Corporate Tax**, or **Partnership Tax** account.
- Click **More Account Options**
- Click **Apply for an Angel Investor Credit**

### When to file:

The SCDOR will begin accepting applications on June 28, 2021.

**How to file:**

- The application **must** be submitted using the MyDORWAY account of the Angel Investor seeking credit approval.
- Applications will not be accepted if submitted:
  - by paper, email, or fax
  - prior to June 28, 2021
  - as a PDF attachment using the MyDORWAY Web Message portal
- You must submit a separate Angel Investor Credit application on MyDORWAY for each qualified investment.
- MyDORWAY issues a unique confirmation number to each application. Please keep these confirmation numbers for your records.
- Detailed instructions for submitting the Angel Investor Credit Application can be found [here](#)

**Credit requirements:**

- You must be an individual or pass-through entity only.
- You must qualify as an Angel Investor under the criteria of accredited investors.
- You must have made a qualified investment in 2021.
- You must provide the date, investment amount, and name of the qualified business that you invested in.
- You must indicate if your cash investment was a purchase of equity stock shares or equity rights, or if the cash investment was a purchase of subordinated debt.
- **Pass-through entities:** only members, partners, and shareholders who are individuals are eligible for the Angel Investor Credit. Each member, partner, and shareholder must qualify as accredited investor.
- **Pass-through entities:** You must make an irrevocable election with the SCDOR as to the method the credit will be allocated.
- The total amount of credit allowed an individual for one or more qualified investments in a single taxable year, whether made directly or by a pass-through entity and allocated to an individual, must not exceed \$100,000.
- If the credit amounts of all applications received by the SCDOR exceed \$5 million, then the SCDOR must allocate the credit on a pro rata basis among the Angel Investors who filed a timely application.

**What you will need when you apply:**

- Your MyDORWAY profile information
- Spouse's name and SSN (if applying jointly)
- Criteria for meeting accredited investor status
- Indication of how you qualify as an Angel Investor
- Qualified investment information
  - Date of investment
  - Name of qualifying business
  - Amount of investment
  - Type of qualified investment
- Information for grantors, members, partners, and shareholders:
  - Names
  - SSN
  - Percent credit
  - Type of entity
  - Partnerships and S Corporations will need this information for all cascading pass-through entities

When you submit your completed application, you will be prompted to enter your MyDORWAY password, which will act as your signature.

**Questions? We're here to help**

- [TaxTech@dor.sc.gov](mailto:TaxTech@dor.sc.gov)
- 803-898-5706
- Find tutorials and instructions for using MyDORWAY at [MyDORWAY.dor.sc.gov](https://MyDORWAY.dor.sc.gov).