



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
Formerly Incarcerated
Apprenticeship Credit

Name SSN or FEIN

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

Table with 4 columns: (A) Number of employees, (B) Credit amount, (C) Total credit, and a numbered list of rows (Year One, Year Two, Year Three, Total credit amount, Current year tax liability, Available credit).

INSTRUCTIONS

Taxpayers who hire a formerly incarcerated individual as a new employee in a registered apprenticeship validated by the US Department of Labor may qualify for a tax credit against Corporate or Individual Income Tax, Bank Tax, Savings and Loan Tax, Corporate License Fee, or Insurance Premium Tax. The credit is available for employees hired from January 1, 2022 to December 31, 2026.

The credit is first earned in the year the formerly incarcerated individual completes their twelfth consecutive month of employment. The amount of credit per eligible employee is:

- \$3,000 for the first year of employment
• \$2,500 for the second year of employment
• \$1,000 for the third year of employment

The credit may not be claimed beyond the third year of employment. The credit may only be claimed for an eligible individual once, regardless of the employer.

Unused credits are not carried forward to future years.

Full-time means a job requiring a minimum of 35 hours of an employee's time. See SC Code Section 12-6-3360, available at dor.sc.gov/policy, for more information.

Incarcerated individual means an individual that, within three years of being hired in a qualifying program, was held in a state or county prison, jail, or detention center for at least ninety consecutive days, but does not include an individual incarcerated for a violent crime set forth in Section 16-1-60, unless such individual received a pardon for the offense or unless the only disqualifying violent crime resulted in a sentence of ten years or less under Section 44-53-370(E) or Section 44-53-375(C). South Carolina code sections are available at dor.sc.gov/policy.

For more information about this credit, see SC Code Section 12-6-3710, available at dor.sc.gov/policy.

**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.