



INFRASTRUCTURE CREDIT

Attach this form to your return.

Name of Corporation

FEIN

Address of Corporation

COMPUTATION OF TAX CREDIT PART I WATER LINES

A separate Sch. TC-6 must be prepared for each water line project.

1. Expenses of water lines project and related facilities. (Project must be dedicated to public use or deeded to a qualified private entity. See instructions, paragraph B)	1.	\$
2. Expenses allocated to taxpayer's benefit. (See instructions, paragraph C)	2.	
3. Subtract line 2 from line 1	3.	
4. Contributions (See instructions, paragraph D)	4.	
5. Combine lines 3 and 4	5.	
6. Multiply amount on line 5 by 50%	6.	
7. Maximum credit allowed per project	7.	\$10,000
8. Enter the lesser of lines 6 or 7. Credit amount on line 8 is combined with credit amounts from other qualifying infrastructure projects and entered on form SC1120-TC	8.	

PART II SEWER LINES

A separate Sch. TC-6 must be prepared for each sewer line project.

1. Expenses of sewer lines project and related facilities. (Project must be dedicated to public use or deeded to a qualified private entity. See instructions, paragraph B)	1.	\$
2. Expenses allocated to taxpayer's benefit (See instructions, paragraph C)	2.	
3. Subtract line 2 from line 1	3.	
4. Contributions (See instructions, paragraph D)	4.	
5. Combine lines 3 and 4	5.	
6. Multiply amount on line 5 by 50%	6.	
7. Maximum credit allowed per project	7.	\$10,000
8. Enter the lesser of lines 6 or 7. Credit amount on line 8 is combined with credit amounts from other qualifying infrastructure projects and entered on form SC1120-TC	8.	

PART III ROADS

A separate Sch. TC-6 must be prepared for each road project.

1. Expenses of road project. (Project must be dedicated to public use. See instructions, paragraph B)	1.	
2. Expenses allocated to taxpayer's benefit. (See instructions, paragraph C)	2.	\$
3. Subtract line 2 from line 1.	3.	
4. Contributions (See instructions, paragraph D)	4.	
5. Combine lines 3 and 4	5.	
6. Multiply amount on line 5 by 50%.	6.	
7. Maximum credit allowed per project.	7.	\$10,000
8. Enter the lesser of lines 6 or 7. Credit amount on line 8 is combined with credit amounts from other qualifying infrastructure projects and entered on form SC1120-TC.	8.	

Recapture of Infrastructure Credit if a Road is removed from State Highway or Public Road System

1. Expenses (or contributions) of road project.	1.	
2. Expenses allocated to road project removed from state or public system.	2.	
3. Divide amount on line 2 by amount on line 1.	3.	%
4. Credit allowed for roads project.	4.	
5. Multiply amount on line 4 by percentage on line 3. Amount on line 5 must be added to income tax due	5.	

Effective June 6, 2006, a taxpayer can claim the infrastructure credit against bank tax.

GENERAL INSTRUCTIONS FOR SC SCH. TC 6

Be sure to ATTACH any necessary documents. See item E below.

- A. South Carolina Code § 12-6-3420 allows a corporate taxpayer a credit against income tax imposed on corporations an amount equal to 50%, not to exceed \$10,000 annually, of expenses paid or accrued by the taxpayer in building or improving any one infrastructure project. Effective June 6, 2006, the credit can be claimed against bank tax. Any unused credit up to a total of \$30,000 may be carried forward three years.
- B. For purposes of this credit, an infrastructure project includes water lines, sewer lines, their related facilities and roads that:
 - (1) do not exclusively benefit the taxpayer;
 - (2) are built to applicable standards;
 - (3) are dedicated to public use or, in the case of water and sewer lines and their related facilities in areas served by a private water and sewer company, the water and sewer lines are deeded to a qualified private entity.

GENERAL INSTRUCTIONS FOR SC SCH. TC 6 (cont.)

- C. If an infrastructure project benefits more than the taxpayer, the expenses of the taxpayer must be allocated to the various beneficiaries and only those expenses not allocated to the taxpayer's benefit qualify for the credit.
- D. The credit may be claimed for contributions to a governmental entity and in the case of water or sewer lines and their related facilities, (in an area served by a private water and sewer company) to a qualified private entity, for the construction or improvements of qualifying infrastructure projects, or for expenses incurred by the taxpayer in building or improving qualifying infrastructure projects for dedication to public use.
- E. The credit may be claimed before dedication or conveyance if the taxpayer submits with its tax return a letter of intent signed by the chief operating officer of the appropriate governmental entity or qualified private entity stating that upon completion it will accept the infrastructure project for the appropriate use.
- F. For purpose of this credit, a qualified private entity is any entity holding the required permits, certifications, and licenses from the South Carolina Department of Health and Environmental Control, the South Carolina Public Service Commission, and any other state agencies, departments, or commissions, from which approvals must be obtained in order to operate as a utility furnishing water supply services or sewage collection or treatment services, or both, to the public.
- G. A qualifying private entity is not allowed an infrastructure credit for expenses it incurs in building or improving facilities it owns, manages, or operates.
- H. If a road qualifying for the infrastructure credit is subsequently removed from the state highway or public road system the amount of the credit allowed for the construction of the road must be added to any corporate income tax due from the taxpayer for the first taxable year following the removal of the road from public use.
- I. A corporation that files on a consolidated basis and is entitled to this credit must determine the credit on a consolidated basis. The credit reduces the consolidated group's tax liability regardless of whether or not the corporation contributes to the tax liability.
- J. The merger, consolidation, or reorganization of a corporation where tax attributes survive does not create new eligibility in a succeeding corporation but unused credits may be transferred and continued by the succeeding corporation. In addition, a corporation may assign the rights to its unused credit to another corporation if it transfers all, or substantially all, of the assets of the corporation or all, or substantially all, of the assets of a trade or business or operating division of a corporation to another corporation.