



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CORPORATE HEADQUARTERS CREDIT

Name FEIN

Street address City State ZIP

Costs of Establishing, Expanding, or Adding to a Corporate Headquarters

- 1. Real property costs
a. Design costs
b. Preparation costs
c. Development costs
d. Direct construction costs
e. Direct lease costs (during first five years of operation)
f. Total real property costs (add line 1a through line 1e)

If less than \$50,000, STOP. You do not qualify for this credit.

- 2. Qualifying tangible personal property costs
3. Total qualifying costs for the tax year (add line 1f and line 2)
4. Tentative credit (multiply line 3 by 20%)
5. Past due debts owed to the state of South Carolina
6. Allowable credit (subtract line 5 from line 4)
7. Credit applied to
a. Corporate Income Tax
b. Corporate License Fee
c. Bank Tax
d. Total credit applied (add line 7a through line 7c)
8. Unused credit (subtract line 7d from line 6)

Staffing Requirements

Number of headquarters staff jobs created to date Number of other qualifying jobs created to date

Total number of headquarters staff jobs planned Total number of other qualifying jobs planned

## INSTRUCTIONS

- Line 1** Include direct construction costs and costs resulting from the design, preparation, and development of establishing, expanding, or adding to a corporate headquarters. For leased facilities, include direct lease costs incurred during the first five years of operations. Qualifying real property costs must be at least \$50,000 to be eligible for the credit.
- Line 2** Include costs for tangible personal property if:
1. The personal property is capitalized as personal property for Income Tax purposes under the Internal Revenue Code.
  2. The personal property is purchased for the establishment, expansion, or addition of a corporate headquarters or a research and development facility which is part of the same corporate project as the headquarters establishment, addition, or expansion.
  3. The personal property is used for corporate headquarters or research and development related functions and services in South Carolina.
  4. The establishment, expansion, or addition of the corporate headquarters or research and development facility results in the creation of at least 75 new full-time jobs performing either headquarters related functions and services or research and development related functions and services.
  5. The 75 jobs created have an average cash compensation level of more than twice the per capita income of the state, based on the per capita income data available at the end of the tax year in which the jobs are filled.
- Line 5** The amount of corporate headquarters credit must be reduced by the amount of any past due debt owed to the state of South Carolina by the taxpayer.
- Line 7** The corporate headquarters credit is only allowed against the Corporate Income Tax, Corporate License Fee, or Bank Tax.
- Line 8** Any unused corporate headquarters credit may be carried forward for 10 years. An unused credit may be carried forward 15 years if 75 qualifying new full-time jobs are created with an average cash compensation level of more than twice the per capita income of South Carolina.

### Staffing Requirements

The corporate headquarters establishment, expansion, or addition must result in the creation of at least 40 new, permanent, full-time jobs located in South Carolina. The jobs must be headquarters related jobs or research and development related jobs. At least 20 of the new jobs must be classified as headquarters staff employees.

The corporation must have documented plans to meet the staffing requirement at the time the first credit is claimed. If the required addition to jobs is not met by the end of the second taxable year following the last taxable year for which the credit is claimed, the corporation must increase its tax by the total amount of credits used to reduce tax in the earlier years.

### Definitions:

1. Corporate headquarters: the facility or portion of a facility where corporate staff employees are physically employed and where the majority of the company's financial, personnel, legal, planning or other headquarters related functions are handled either on a regional or national basis.
2. New job: a job created by an employer in South Carolina at the time a new facility, expansion or addition is initially staffed, but does not include a job created when an employee is shifted from an existing location in this state to work in a new or expanded facility.
3. Full-time: a job requiring a minimum of 35 hours of an employee's time a week for the entire normal year of corporate operations or a job requiring a minimum of 35 hours of an employee's time for a week for a year in which the employee was initially hired for or transferred (from another state) to the corporate headquarters or research and development facility in South Carolina.

For more information, see SC Code Section 12-6-3410 at [dor.sc.gov/policy](http://dor.sc.gov/policy).

If you file by paper, attach to your Income Tax return. If you file electronically, keep a copy with your tax records.