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STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**HEADQUARTERS CREDIT**

**SC SCH.TC 8**

(Rev. 7/23/24)

3242

**20**

Name

FEIN

Street address

City

State

ZIP

**Cost of establishing a new headquarters facility or expanding or adding to an existing headquarters facility:**

## 1. Real property costs

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

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

2. Qualifying tangible personal property costs ..... 2. \_\_\_\_\_
3. Total qualifying costs for the tax year (add line 1f and line 2) ..... 3. \_\_\_\_\_
4. Tentative credit (multiply line 3 by 20%) ..... 4. \_\_\_\_\_
5. Past due debts owed to the state of South Carolina ..... 5. **<** \_\_\_\_\_ **>**
6. Allowable credit (subtract line 5 from line 4) ..... 6. \_\_\_\_\_
7. Credit applied to
- a. Corporate Income Tax ..... 7a. \_\_\_\_\_
- b. Corporate License Fee ..... 7b. \_\_\_\_\_
- c. Bank Tax ..... 7c. \_\_\_\_\_
- d. Individual or Fiduciary Income Tax ..... 7d. \_\_\_\_\_
- e. Total credit applied (add line 7a through line 7d) ..... 7e. \_\_\_\_\_
8. Unused credit (subtract line 7e from line 6) ..... 8. \_\_\_\_\_
- Unused credits can be carried forward for 10 years.

**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 \_\_\_\_\_

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## INSTRUCTIONS

- Line 1** Include direct construction costs and costs resulting from the design, preparation, and development of establishing, expanding, or adding to a headquarters facility. 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 headquarters facility which is part of the same project as the headquarters establishment, expansion, or addition.
  3. The personal property is used for headquarters related functions and services in South Carolina.
  4. The establishment, expansion, or addition of the headquarters facility results in the creation of at least 40 new full-time jobs performing headquarters related functions and services.
  5. The 40 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 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 Headquarters Credit is allowed against Corporate Income Tax, Corporate License Fee, Bank Tax, Individual Income Tax, or Fiduciary Income Tax.
- Line 8** Any unused credit may be carried forward for 10 years.

### Staffing Requirements

The headquarters facility, 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. At least 20 of the new jobs must be classified as headquarters staff employees.

The taxpayer 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 taxpayer must increase its tax by the total amount of credits used to reduce tax in the earlier years.

### Definitions

**Headquarters** means the facility or portion of a facility where staff employees are physically employed and where the majority of the taxpayer's financial, personnel, legal, planning or other headquarters related functions are handled either on a regional or national basis.

**New job** means 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.

**Full-time** means a job requiring a minimum of 35 hours of an employee's time a week for the entire normal year of the taxpayer's 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 taxpayer's headquarters facility in South Carolina.

**Remote employee** means a full-time employee of the taxpayer, including an employee who works for a business unit of the taxpayer, who works for the taxpayer performing headquarters-related functions or services either completely or partially from a home office or other residence within the State.

For more information, see SC Code Section 12-6-3410, available 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.