
State of South Carolina
Department of Revenue
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SC INFORMATION LETTER #07-3 (Revised)

SUBJECT: Job Tax Credit - County Rankings for 2007
Fee in Lieu of Property Taxes – Reduced Investment Counties
Tax Moratorium – Qualifying Counties

DATE: February 5, 2007

REFERENCE: S. C. Code Section 12-6-3360 (Supp. 2006)
S. C. Code Section 4-12-30 (Supp. 2006)
S. C. Code Section 12-44-30 (Supp. 2006)
SC Revenue Ruling #07-1

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000)
SC Revenue Procedure #05-2

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

INTRODUCTION

The job tax credit, the tax moratorium, and the reduction in the minimum required fee in lieu of property tax investment are dependent, in part, on per capita income and unemployment rate data received from the South Carolina Employment Security Commission and Budget and Control Board.

The purpose of this advisory opinion is to provide the county rankings for purposes of the job tax credit, counties qualifying for the tax moratorium, and counties qualifying for the reduced fee in lieu of property tax.

JOB TAX CREDIT – County Rankings

South Carolina’s 46 counties are ranked and designated annually for job tax credit purposes with equal weight given to unemployment rate and per capita income and then adjusted in accordance with special rules in South Carolina Code subsections 12-6-3360(B) and 12-6-3360(L), as applicable. Because of amendments in the job tax credit statute, it is necessary to have two rankings of South Carolina’s counties for purposes of the job tax credit.

Ranking List #1: For new, full time jobs created in tax years which begin in 2007, where the job tax credit was first earned after June 18, 2002, and increases in such jobs, except as otherwise indicated in the footnotes.

The Department has ranked South Carolina’s counties as “distressed,” “least developed,” “under developed,” “moderately developed,” and “developed” for computation of the new job tax credit.

Distressed	Least Developed	Under Developed	Moderately Developed	Developed
Allendale	Abbeville	Calhoun ¹	Anderson	Aiken ¹
Bamberg	Cherokee	Chester	Beaufort	Berkeley
Barnwell	Edgefield	Colleton	Charleston	Dorchester
Chesterfield	Fairfield	Darlington	Florence	Greenville
Clarendon	Greenwood	Georgetown	Horry	Kershaw
Dillon	Lancaster	Jasper	Newberry	Lexington
Hampton	Orangeburg	Laurens	Oconee ²	Richland
Lee	Union	Pickens	Spartanburg	York
Marion		Saluda		
Marlboro		Sumter		
McCormick				
Williamsburg				

¹ Code Section 12-6-3360(B)(5)(h), added in 2006, allows Aiken County a three tier higher credit amount for taxable years beginning in 2007 and 2008. Accordingly, a taxpayer claiming the job tax credit for jobs created in Aiken County is allowed an increased job tax credit amount based upon the designation of “least developed” county for the tax years beginning in 2007 and 2008 only. See Code Section 12-6-3360(B)(5)(h) and SC Revenue Ruling #07-1.

²Effective for tax years beginning after December 31, 2004, Code Section 12-6-3360(B)(5)(f) allows Oconee County a one tier higher credit amount for a three year period beginning immediately following the year during which one employer lost 1,500 jobs in a calendar year (*i.e.*, 2005.) Accordingly, a taxpayer claiming the job tax credit for jobs created in Oconee County is allowed an increased job tax credit amount based upon the designation of “under developed” county for the tax year beginning in 2007 only. For the tax year beginning in 2008, the designation will be one tier higher than Oconee County would otherwise qualify, and it will be published in January 2008. See SC Revenue Ruling #07-1.

Ranking List #2: For new, full time jobs created in tax years which begin in 2007, where the job tax credit was first earned after 1995 and before June 19, 2002, and increases in such jobs, except as otherwise indicated in the footnotes.

The Department has ranked South Carolina’s counties as “least developed,” “under developed,” “moderately developed,” and “developed” for computation of the new job tax credit.

Least Developed	Under Developed	Moderately Developed	Developed
Abbeville	Calhoun	Anderson	Aiken ³
Allendale	Chester	Beaufort	Berkeley
Bamberg	Colleton	Charleston	Dorchester
Barnwell	Darlington	Florence	Greenville
Cherokee	Georgetown	Horry	Kershaw
Chesterfield	Jasper	Newberry	Lexington
Clarendon	Laurens	Oconee ⁴	Richland
Dillon	Pickens	Spartanburg	York
Edgefield	Saluda		
Fairfield	Sumter		
Greenwood			
Hampton			
Lancaster			
Lee			
Marion			
Marlboro			
McCormick			
Orangeburg			
Union			
Williamsburg			

³ Code Section 12-6-3360(B)(5)(h), added in 2006, allows Aiken County a three tier higher credit amount for taxable years beginning in 2007 and 2008. Accordingly, a taxpayer claiming the job tax credit for jobs created in Aiken County is allowed an increased job tax credit amount based upon the designation of “least developed” county for the tax years beginning in 2007. See Code Section 12-6-3360(B)(5)(h) and SC Revenue Ruling #07-1.

⁴Effective for tax years beginning after December 31, 2004, Code Section 12-6-3360(B)(5)(f) allows Oconee County a one tier higher credit amount for a three year period beginning immediately following the year during which one employer lost 1,500 jobs in a calendar year (*i.e.*, 2005.) Accordingly, a taxpayer claiming the job tax credit for jobs created in Oconee County is allowed an increased job tax credit amount based upon the designation of “under developed” county for the tax year beginning in 2007. See Revenue Ruling #07-1.

TAX MORATORIUM – Qualifying Counties

South Carolina Code Section 12-6-3367, in part, grants a 10 year moratorium (15 years in certain cases) on corporate income taxes or insurance premium taxes for qualifying taxpayers in a county with average annual unemployment rate of at least twice the State average during each of the last two completed calendar years, based on the most recent unemployment rates available, or in a county with one of the three lowest per capita incomes based on the average of the three most recent years of available average per capita income data. The moratorium begins the first full taxable year after the taxpayer qualifies in a county designated as a moratorium county.

For 2007, the following counties have been designated moratorium counties under South Carolina Code Section 12-6-3367.

Allendale
Marion
McCormick
Williamsburg

FEE IN LIEU OF PROPERTY TAXES - Reduced Investment Counties

The minimum required investment necessary to qualify for the fee in lieu of property tax under the “Little Fee,” provided in South Carolina Code Section 4-12-30(B)(3) is \$2.5 million, and the “Simplified Fee,” provided in South Carolina Code Section 12-44-30(14), is \$5 million. This investment amount, however, is reduced to \$1 million for a company investing in a county with an average annual unemployment rate of at least twice the State average during each of the last 24 months, based on data available on November 1.

For 2007, no county qualifies for the \$1 million minimum investment under the “Little Fee” and the “Simplified Fee.”