## SC INFORMATION LETTER #10-1

SUBJECT:Job Tax Credit - County Rankings for 2010Fee in Lieu of Property Taxes – Reduced Investment Counties<br/>Tax Moratorium – Qualifying Counties

- DATE: January 15, 2010
- REFERENCE: S. C. Code Section 12-6-3360
  - S. C. Code Section 12-6-3367
    - S. C. Code Section 12-44-30
    - S. C. Code Section 4-12-30
    - S. C. Code Section 4-29-67
- AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000) SC Revenue Procedure #09-3
- 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. The final ranking of counties for new, full time jobs created in tax years which begin in 2010, and increases in such jobs, is listed below.

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

# **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 2010, the following counties have been designated moratorium counties under South Carolina Code Section 12-6-3367.

Allendale		
Marion		
Marlboro		
Williamsburg		

<sup>&</sup>lt;sup>1</sup> For tax years beginning after 2007, a retail facility or service related industry located in a county that is under developed and not traversed by an interstate highway may qualify for the job tax credit. For 2010, Georgetown, Pickens, and Saluda counties meet this requirement. If the service related industry meets the requirements of a qualifying service related facility, it may qualify in any county. See Code Section 12-6-3360.

## FEE IN LIEU OF PROPERTY TAXES - Reduced Investment Counties

The minimum required investment necessary to qualify for the fee in lieu of property taxes is \$2.5 million for the "Little Fee" and "Simplified Fee, and \$45 million for the "Big Fee." See South Carolina Code Sections 4-12-30(B)(3), 12-44-30(14), and 4-29-67, respectively. 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 2010, the following county qualifies for the \$1 million minimum investment under the "Little Fee," "Simplified Fee," and "Big Fee."

Allendale